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THE EPIC
STRUGGLE OF
ROBERT CAMPEAU

STORM CLOUDS

Quebec's Sept. 25
Election May Be
Critical To
Canada's Destiny

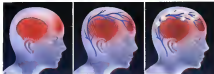
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CANADA'S WEEKLY NEWSMAGAZINE SEPTEMBER 25, 1987 VOL. 102 NO. 39

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COVER

STORM CLOUDS OVER QUEBEC

Striking public servants brought much of Quebec to a halt. But the campaigns for next week's provincial election carried on. Liberal Premier Robert Bourassa talked tough and refused to bend to the wave of strikes. PQ Leader Jacques Parizeau called for full independence. And some senior politicians, in Ottawa and Quebec, talked of forming a new party to fight for Quebec's rights.

WORLD

A MASS EXODUS

The exodus of 15,000 East Germans to the West last week provided vivid new evidence of a breakdown in the Communist system in East Europe, where calls for Shelestinov are reaching a crescendo. For NATO, and for Moscow, it also revived an old, unconvincing possibility: German reunification.



BUSINESS

CAMPEAU'S DAY OF RECKONING

Struggling under an \$11.4-billion debt and shaken by a severe cash-flow crisis, monumental millionaire Robert Campeau reluctantly ceded a piece of his Campeau Corp. to the Rockemann family. In exchange, the Rockemanns will advance \$300 million to keep Campeau's U.S. empire afloat.



LETTERS

FIRST ALLIED VICTORY

In "Turbulent sea" (Cover, Sept. 4), you mention some of the most significant and important dates of the war. However, you neglected to mention Italy's invasion of Greece on Oct. 28, 1940—significant as that it was the first campaign in which the Axis powers suffered setbacks at the hands of the Allies. The Greek army was able to repel Italy's invading forces for five months until the German army invaded Greece from Bulgaria. In fact, as Winston Churchill is reported to have said of the Greek resistance, "Until now, we and that the Greeks fought like heroes, but from now on we will have to say that heroes fight like Greeks."

Corla Dietrich,
Calgary



Churchill's "heroes fight like Greeks"

Whenever the media have articles on the Second World War, all we read about is what happened in Europe. Why is it one seldom reads of the conflict in the Far East between the Allies and Japan? Could it be because the treatment of the prisoners of war was too horrific to even state, or are the media afraid of offending the now-powerful Japanese?

Don Fishers,
Kijikawasa, Ontario

Conspicuously missing from your articles on the Second World War was any reference to the virtual refusal of the Canadian government to permit European Jewish refugees to enter Canada before and during the Holocaust. Official Canadian policy on this subject was a fierce combination of moral conviction and self-interest—the result of which was to seal off Canada from European Jewry. While individual Canadians fought and served with dignity and courage, governmental refusal to open Canada to European Jewry being significant testimony reflects shameful moral impoverishment.

Jason Horst,
Vancouver

The article about Nazi concentration camps ("You could feel the families") neglected to point out that Auschwitz, Treblinka and Majdanek were originally intended for Christian Poles. For the first two years of Nazi rule in Poland, as victims were gradually Poles. The first selection for the gas chambers was in July, 1941, when 975 sick prisoners, almost all Poles, were taken to Sobibor and killed by carbon monoxide. Cycles II was first used in September of that year on 208 Polish concentration camp and 600 Soviet prisoners of war. Nazi camps included millions of non-Jewish victims, except Jews.

Rudolf J. Kuciel,
Secretary General,
Canadian-Polish Congress,
Toronto

WOOLING THE ENGLISH?

You attributed a previous statement to Robert Bourassa ("An Anglo rebellion," Canada, Aug. 20). "Send Bourassa of his pretensions in appealing Anglophone voters. I hope that, with time passing and with a bit less reaction, the English will be more understanding of our position." If the English not only understood but agreed with Bourassa, that would not help him and me, who, because Englishmen cannot vote in Quebec or Canada. Now, if Bourassa was referring to Quebecers who speak English, he is on dangerous ground. The ancestors of a substantial proportion of Quebecers whose first language is English were not from England. Canadian descendants of Italians or Irish might resent being labelled "English." Even Canadians whose ancestors came from England might dislike being called "English." Mine did, and I do, and I spent most of my life in Montreal. East Germany's Erich Honecker is not the only leader whose people are leaving in droves because of his policies.

Robert Shepherd,
Gowerville, Ont.

Letters are edited and may be condensed. Writers should send more address and telephone number. All comments given in Letters to the Editor (Letters) are subject to editorial review. (100 Aug. 25, Toronto, Ont. CANADA)

PASSAGES

ELECTED: Francis (Fry) Vincent Jr., 55, Israeli-born investor, to succeed A. Bartlett Giamatti, who died of a heart attack at age 51 on Sept. 1, for the remaining 14 years of Giamatti's term, in the centre of the 26 major league teams. Giamatti's head Vincent, a lawyer who from 1965 to 1967 was first general and then chairman of Columbia Pictures, as an Israeli-born deputy commissioner earlier this year. They worked together on the Polo issue recently, which left the baseball's lifetime ban from the game for being on his own team, just eight days before Giamatti's sudden death. In memory of his former boss, Vincent said that players in next month's World Series will wear black armbands.



DIED: Writer Robert Penn Warren, 84, the only person to win Pulitzer prizes in both fiction and poetry, of cancer at his summer home at Stratford, N.Y. Warren was best-known for his political novel, *All the Kings Men*, loosely based on the life of Louisiana's dramatic former governor, Huey Long, who was assassinated in 1935. That book won Warren a Pulitzer for fiction in 1947. He won his first Pulitzer for poetry in 1948 for his collection *Precedents*. Poetry, 1964-1955 and his second in 1970 for *Blue and Green*. Poetry 1978-1979.

EXPLOITING: The Duchess of York, 29, the former Sarah Ferguson, and her husband, Prince Andrew, 29, first married child, in March. If the couple has a son, he will be fifth in line to the throne, superseding his mother, Princess Margaret, who

was born in August, 1946. The baby will be Queen Elizabeth's sixth grandchild.

DIED: Member Brian McManus, 52, singer and guitarist with the popular Irish-Celtic folk group the Chieftains, of a heart attack while on tour in Pennsylvania. The seven-member group, which recently celebrated its 25th anniversary, was featured on the 1986 CTV society show *The Pig in the Wall*.

DIED: Paul Giam, 71, the complex American composer for lower than who— with Howard Zinn—led the 1978 fight for the Berkeley Proposition 13, which cut California's property taxes in half, of complications from AIDS, which he acquired from a blood transfusion during heart surgery in 1983, is hospital near San Francisco, Calif., since.

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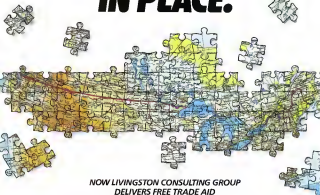
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LETTERS

GIVING UP ON TRAINS

France Minister Michael Wilson's ignorance of the purposes of high-speed railways and Transport Minister Brook Macdonald's silence explain why the passenger train has been so badly treated in Canada ("Selling Via's train," Cover, Aug. 25). The government's aim is to make up for years in favor of crowded highways and airports. It seems we will fight the deficit, no matter what it costs.

Dale Wilson,
Sudbury, Ont.

I was disappointed in your coverage of Via's downfall. You missed the chance to do a full report on the years of government (Liberal and Conservative) meddling, neglect and mismanagement that would have forced even the most profitable corporation into bankruptcy.

Alan Sutton,
Pierrefonds, Que.

CANADA AND THE CBC

A s Pierre Trudeau's, the federal government is methodically undermining the essential communications network that holds our vast country together ("I am very pessimistic," Cover, Aug. 21). By crippling the CBC, it leaves a crippled nation.

Mervyn Kidd,
Georgetown, Ont.

AN ECONOMIC PROBLEM

The article "Threatened animals" (Wildlife, Aug. 2) left a mistaken impression about the cause of the problem and my perspective on it. Poaching in Canada is most assuredly not a matter of race or geography. Our record on wildlife conservation is equally mixed. "Animals" are not the problem—allowing private profit to dictate policy is. Some of the demand comes from folklore medicine, but it should not be reported as the heart of the issue.

Dorothy K. Armstrong,
Calgary

PRINCE OF VIRTUES

Alex Pedergrun describes the Duke of York as "a genuine badman" — particularly "loyal" ("A confused agent for selling the country," Column, Aug. 24). When duty called in war, Prince Andrew flew his helicopter as a deliberate decoy against Soviet missiles aimed at his ship and, in a difficult private role, he has done much for the underprivileged. I wonder if Pedergrun has ever done much with virtues!

Doris S. Parker,
White Rock, B.C.

DUAL RESPONSIBILITY

Jagras with Erlys Moorhouse's point that pregnancy prevention is the ultimate answer to the abortion issue ("Focus on responsibility," Letters, Aug. 25). But I was most disturbed by her comment: "Surely women must have the responsibility and control" As a child in the product of both a female and a male, the responsibility for prevention must be with both parties. As well, Dr. Moorhouse should not have to spend his energies on prevention. Prevention education belongs with parents, schools, churches and so on. I am

sure Moorhouse's clinic provides counselling for prevention after a termination has been completed.

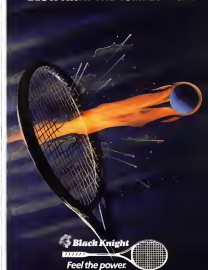
Suzanne C. Rush,
West Vancouver

MISPLACED IN QUEBEC

The city-nickname issue has reached Quebec's St. Lawrence-Rabelais is not "northwest of Montreal," but southeast ("American spang," Cover, Aug. 21).

Jean Pierre Cloutier,
Mont. Que.

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OPENING NOTES

G. Gordon Liddy plays the heavy, Boris Yeltsin is in good spirits, and the Liberals decline a northern treat

A TOAST TO DETENTE

Boris Yeltsin, the silver-haired Soviet politician who wants to implement reform of his country's stagnant economy, impressed many Americans with his candor—and stamina—during a recent eight-day visit to the United States. For one thing, officials at Smithsonian's Johns Hopkins University told that Yeltsin and his aides were seen strolling the school grounds at 6:30 a.m. on Sept. 12, three hours after the Soviet parliament member had checked into his residence after a busy day in New York City. Yeltsin later attended a 7:00 a.m. breakfast meeting on campus. But after chatting briefly with the assembled guests, Yeltsin asked his aide to address the meeting and excuse himself for one hour, saying that he was suffering from jet lag and needed to rest. After his departure from campus, several university officials expressed their admiration for another Yeltsin trait: his longevity. According to the officials, their Soviet guest consumed 1½ 20-ounce bottles of Jim Beam whisky during his eight-day sojourn.

Yeltsin, jet lag, morning strolls and a large capacity



Big jumps for frogs' legs

Canada and U.S. gourmets are paying more for a favorite delicacy, as the price of frogs' legs has risen by approximately 40 per cent during the past two years. A major reason for that increase, such major suppliers of frogs' legs as China, India and Bangladesh are reducing exports because frogs are valuable consumers of flies and other pest insects. Still, Toronto restaurant John Arnes and that other suppliers, including Japan and the Philippines, were filing the demand—at a retail price of about \$7 per pound. On Arnes's forthcoming menu at Wynn's restaurant, that price will jump to about \$25 per serving.



Gordon Liddy: Mito: an attempt to strengthen Liberal roots in the West.

AN INVESTMENT WITH NO RETURN

Dennis Mills deployed his mounted agricultural skills by helping to organize a massive environmental conference in Toronto last week—winning such celebrity endorsements as fellower John Denner to attend the event. Still, the riskier Toronto trip—who doesn't say will soon enter the race for the leadership of the federal Liberal party—has received no political return from another recent organizational success. His attempt to strengthen Liberal roots in the West, Mills arranged for summer employ-

ment in Ottawa for 40 young westerners. But the youthful Liberals played on gratitude after Mills convinced his casual colleagues to have the students to work in three offices, largely as researchers. Indeed, when Mills's aides recently polled the students, almost all of them said that if they were delegates to the party's June leadership convention in Calgary they would vote for the other Liberal candidates. Former cabinet minister Jean Chretien and Montreal MP Paul Martin.

CASTING BALLOTS WITH A HAPPY FACE

Canadians can now mark their ballots with such distinctive signs as cartoonish drawings, without electoral officials disliking that such signs are invalid. That is because Ontario Supreme Court Judge Judith Ball recently ruled that a so-called happy-face drawing was a valid mark in a hotly contested electoral contest in Ottawa last November. Still, ballot electoral officer Jean-Marie Huard told *Maclean's* that he would be concerned if large numbers of happy faces or any similar figure drawings were made, begin appearing on ballots cast during a federal election. One reason the marks could be an expression of anger to indicate that voting had in fact been successful. In that event, another judge would then have to rule on the validity of happy-face ballots.

Capturing a fish story on film

In Vancouver, B.C. Fishermen have recruited some heavyweight talent in an attempt to keep it contained off the coast near market. For one thing, Star-Kist Tuna Seafood's head office has re-entered the market four years after the firm distributed racist tuna. To ward off Star-Kist's challenge, the J. Walter Thompson ad agency spent four months drawing two TV ads that show a killer whale nipping out of the water and chomping Clever Land tuna over fresh tuna. One reason for the long lead time: many Pacific Rim sea-life parks would not permit use of their killer-whale pools during the summer tourist season. During the agency's tour in March, it was in Niagara Falls, Ont. Then, Japan, the 20-ton star of the ad, de-

scribed an action of canned tuna during a one-month training period. Making a splash on TV can take time.



Maverick killer whale: an action of canned tuna

SAFE, CLEAN TAX PROTESTS

Vancouver resident Brian Calder is also the leader of Spend Less or Go, a 300-member protest movement against Ottawa's proposed goods and services tax. Indeed, 3,000 members plan to re-enact the 1773 Boston Tea Party and dump 10 cases of tea over a ship's side on Oct. 1. But the tax protesters have to grapple with issues that were not a concern for the revolutionaries. Still Calder: "We are choosing with environmentalists to see if the tea would cause any damage. If so, we will dip a bag, symbolic cloth tea bag over the side."

Saying no to tradition in the North

Opposition leader John Turner, 60, Liberal MP and several senators travelled to the last community of Inuit—1,940, in north of Montreal—last month for the first

meeting of the party caucus in the Northwest Territories. But there was little north-south accord during a traditional Inuit ceremony, which holds that anyone who eats caribou and seals will retain that taste. "It's the water. To that end, in fact older old age, a lovely killed seal, consumed half the beer—and then offered the remaining portion to such guests as the members of John Turner's Senate. Turner, 60, Parliament was the only Liberal who accepted the law, men offering clearly, a strong stomach is sometimes needed to meet the demands of party politics.

Turner in Inuit: a fast ceremony



Perfect for the part

G. Gordon Liddy, the Rich and Famous who directed the 1972 burglary of Democratic headquarters in



Liddy: a credible villain

Washington's Whitegate complex, has a thriving new career—at a movie villain. The 60-year-old Liddy recently landed his north film, playing a drug dealer who takes his own death in a feature film with the working title *Northern Man, Said Liddy*. "There's a real demand for credible villains and not so much demand for the fellow with capped teeth who gets the girl." Art can sometimes make life.



Double standards on Canada's left

BY BARBARA AMIEL

CECELIA's Vicki Gabriela came to London last week and visited me in that I took a taxi over to the village where she was staying. She was in Britain, and we both cracked at each other Gabriela in many things, including an accomplished attorney. Most of all, she typifies that natural, once well-intentioned idealism in North American society. These are the qualities I have missed during the past four years of living in London, where society is ruled by cynicism and not, where life consists of dinner parties on the edge and friendships on the surface.

I have been thinking about my attitudes with Gabriela intensely, ever since we talked. I thought about it, for example, when I watched footage last week of the young East German refugees sitting fast as West Germans said. The connection between the two events is clear. Gabriela asked me what I missed about Canada and I found that easy to say. One aspect of our society and our own conduct. Sometimes it is difficult to distinguish between the two. What I had more trouble explaining was what I regret about Canada. The East German reminded me. As I learned to a 13-year-old woman and her brother explain how she had wasted all her life to live in a free country, I remembered the words of an associate professor in the philosophy department of the University of Toronto. "The primary purpose of getting up the Berlin Wall," wrote Frank Conroy in a 1998 book, "was to stop a US-backed campaign of economic sabotage." According to Conroy, the East German was in such danger in East Germany that a wall had to be built to keep all of us, shipping tons of aid, out of the country. "This is the most important fact about the Berlin Wall," concluded Conroy.

On an impulse, I picked up the telephone. I wanted to see if Conroy, now a full professor at U of T, would have let his words even affect his views. "Yes and no," he replied. "Despite what I wrote, I never doubt that

part of the purpose of the Berlin Wall was to keep people in, especially those with skills I find that fascinating."

Well, a partial connection is better than none. But there is an element in Canada, found especially in the city of Toronto, that does not wish to make any response to changing realities. That is, really, attitudes in Canada's foreign policy. For our political modernism—as well as opinion makers and intellectuals—the watershed has been "no criticism to the left." There is no provision in our actions to which our liberals would be sympathetic—provided, of course, it comes from the left. Government and socialist regimes have always had the special protection of our policymakers.

Only last week, on the 10th day after the Tiananmen Square massacre, more Chinese dissidents were sentenced to death. But in Canada, this carnage is known in the world, the body politic acts as if Tiananmen Square had never happened. This morning, we approved the loss of taxpayer money to China—business as usual. It is as if, in the words of a friend of mine, Canadian students had made a striking new discovery that economic laws operate differently north and south of the equator, or

maybe east and west of the international date line. Students and scholars are benighted when applied against the Southern Hemisphere, but have a warm effect in the north.

The element of that attitude is the key of our liberals at anyone holding a right-of-center view. That can drive them to desperate measures. An interesting example was the opinion column written in *The Toronto Star* May 21 by Olivia Ward, the leader by stating that Canada's pro-life movement and Roman Catholic President Nicolas Sarkozy "have much in common." Normally I would have stopped reading there. Even to mention Conroy in the same breath as the pro-life movement is unacceptable. But Ward is not simply some academic letter writer; she actually writes for the *Star* on international affairs and the United Nations, so I wanted to see if anything could explain or reform the unfortunate statement. Nothing could. Ward's point of view, both the pro-life movement and Conroy's cause the "inherent repression of women, based on homosexuality, and the belief that reproduction should result from any sexual contact." In conclusion, she actually suggested that Canadian "who support reproductive choice" ... can apply for citizenship in Romania.

In my view, there is no responsible paper I can think of outside of Canada that would continue to employ a writer to comment on anything beyond the reader after reading such reprehensibly loaded copy. It is true that among the many left-leaning Conroyists, the idea of a Greater Romania (Galepp) with all its ethnic minorities, he wants to force the Romanians to have more children through draconian anti-abortion laws. His intention is not the safety of human life, but rather a totalitarianist moral purity. Except for the utterly accidental result of being against abortion, our pro-life movement and Conroy have no resemblance at all.

But in Canada, even Romania has freedom. The European Community has provided to help any further trade development with Romania, and West Germany freely received its ambassador, while Portugal and Denmark have closed their embassies. But Canada, well, we are still sending them the technology for a nuclear reactor—one that is still meant to be built but has been left. It is that sympathy for fellow communists and I regret that about Canada, and I still wonder why it remains.

The answer, I suppose, is that 25 years under Pierre Trudeau led to the entrenching of people of colour in our society and establishment and schools. It was not caught in what Tom Wolfe described in a 1980s era *Murder* log. In this our limited view, Canada is a cultural backwardness. It turns events in the world the way it sees a doorway into—well, as it actually is now, but rather as it was when the people began to travel here many ago. That is reinforced by our geography and self-sufficiency, which gives Canada natural barriers against hard experience. The result is that we collect the world as it was—but the world has been changing for the better and, regrettably, at that our sense Canada has not.



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A TORY GAME PLAN

MULRONEY MEETS HIS TEAM TO SET A STRATEGY FOR A STORMY RETURN TO THE HOUSE OF COMMONS

Posed on a rocky cliff overlooking Meach Lake in Quebec's Gaspésie Hills, Wilson Mulrony is one of the federal Conservatives' favorite retreats: an idyllic setting for discussing the business of government. For two days last week, members of Prime Minister Brian Mulrony's powerful 30-member inner cabinet met in the 60-year-old beam-and-stone chalet to plan the government's strategy for the fall session of Parliament opening on Sept. 25. But even in the tranquility of Meach Lake, Transport Minister Benoît Bouchard, for one, appeared to have his mind firmly fixed on the stormy political battles expected ahead. "It will be a tough season, but we are used to big fights," said the usually reserved Bouchard as he paced outside the house after the first day's meeting. "If you want to change the way a country is run, there are no easy solutions."

Bouchard had several reasons for his prediction. As the minister responsible for implementing sharp reductions in Van Riel's annual operating budget, he has been in constant touch with all who will be reverting while passenger train routes the Tories plan to cut. But he will also be ignited by other ministers over the political firing line. With a political agenda that includes plans to implement a new sales tax, overhaul Canada's unemployment insurance system and regulate access to television, the Tories have a slate of unpopular issues. In addition, many Conservatives—including a growing number of Tories—are cynical of the government's policy of high economic rates, which they say is stifling economic growth. Meanwhile, the Conservatives have struggled to come up with new, attractive programs to replace a dismantled policy. But they are condemned by their own determination to reduce a \$30-billion wage deficit by limiting government spending.

In fact, Bouchard's difficulties over Van Riel,



Mulrony at work: a fall agenda dominated by unpopular and divisive issues

which will have its annual \$1.1-billion subsidy slashed to \$220 million by 1993, may be dwarfed by the storm of protest gathering against Prime Minister Mulrony's proposed user-per-user goods and services tax. Since details of the tax were released last month, Wilson has been battered by a surge of critics. They include small-business leaders who say that it will create a mountain of paperwork for small firms, and some economists who predict that it will accelerate inflation and drive the economy into recession. But Wilson remains committed to the tax in its existing form, as he made clear at a meeting with editors of *Maclean's* (page 81). That approach may cost the former investment banker many of his longtime allies in the business community. Still, the Toronto Tory and friend

of the finance minister. "The tax is obviously flawed and will have to be amended. No one in my Street can understand why Michael is being so cautious."

Wilson is expected to endure withering daily attacks from the opposition benches, but much of the political maneuvering over the sales tax will occur outside Parliament. Increasingly, senior Tories say that a report by the Commission on consumer choice, which began consumer public hearings on the GST this week, may provide a compromise approach to tax reform. They say and conservative chairman Donald Boudreau has already started criticism of the tax in its current form, and the committee is likely to encounter a similar situation. Before it reports to the government in Nov. 10, Senior Tories acknowledge privately that

Wilson could use the committee's findings as a reason to modify the GST.

And at Meach Lake last week, Mulrony left open at least a slim possibility that the tax may still be changed before legislation is introduced. Seeking to imply that the details of the tax released in August were set inaccurately at last fall, Mulrony noted, "It is pretty hard to sell something that has not yet been decided." And he added that Canadians may change their minds about the tax "when we come out with a definitive document."

But the Tories are also searching for more persuasive arguments to convince Canadians that the new tax is needed. The Tories' polling firm, Decima Research Ltd., is currently testing focus groups across the country on various approaches for promoting the GST. According to senior officials, the groups have been telling the researchers that Canadians are demanding more information about the tax, not a sales pitch. The government's agenda leaves little time for convincing the public, however. Mulrony also said last week that the government would table as bill enacting the tax by mid-December.

The government may also encounter tough criticism in the Commons during fiscal debate on a bill overhauling the unemployment insurance system. The Tories are anxious to cut \$3.5 billion in benefits from the program and tighten eligibility rules.

Much of the Commons' time this fall will be taken up by what seems certain to be a contentious—and divisive—debate over new abortion legislation. Last week, Mulrony indicated his intention to introduce an abortion bill this fall to fill the vacuum left by a 1988 Supreme Court decision that declared the old law unconstitutional. And despite a boxer-worked while—making plans to go to Moscow to meet with Soviet leader Mikhail Gorbachev in November—Mulrony pledged to be in the House for the talking of the legislation and the subsequent votes.

With so many controversial moves before Parliament, the Conservatives are looking for new initiatives to put a more sympathetic face on their government. Said Decima pollster Allan Gregg: "They know that they cannot continue with nothing to offer but bad news. There is more here than meets the eye, and ways to be more active, particularly in social policy." Consultants are currently preparing a national strategy to combat the AIDS virus, which Health Minister Peter Ivers says he will unveil by the end of the year. But be-

cause of the tight restrictions on government spending, the Conservatives may have to settle for a low-cost advocacy campaign—at the Tory national convention in Ottawa in August. Mulrony left the strong impression that there would be little new funding for social initiatives.

Another area that may receive attention is the environment. Leavis Bouchard, the minister responsible for the issue, says that he will produce, by the spring budget, a comprehensive strategy to combat pollution.



Bouchard's pressure for tax changes



Benoît Bouchard's "hard to big fights"

Clearly, the preoccupation in the government's inner councils with the deficit and the looming sales tax battle makes it unlikely that any bold new policies will soon surface. And as yet, a lighter agenda any appeal to any Conservatives. Said John Luchinger, a Conservative political consultant in Toronto: "Many Tories are looking for less government, and the lack of broad new initiatives is welcomed by a lot of people." And with the autumn ahead promising to be one of the most divisive and raucous seasons yet in Parliament, a lighter agenda would just come as welcome relief to the voting public as well.

BRUCE WALLACE is Ottawa's ROSS LAFSE in Meach Lake

A SUBVENERY STORY

An Ontario flight attendant, Susan Hartwick, 28, the only one of 161 crew members to survive a March 10 crash at Dryden, Ont., told 34 people told a judicial inquiry into the accident that she was not leaning on the wing of the P-21. Fokker jet, as before the crash. The inquiry in Toronto Bay, Ont., also heard a tape recording in which an Air Ontario official told Hartwick hours after the crash, "We don't want you to talk to anybody."

STEERING POLICE

3400 officers moved in to patrol the streets of Edmonton, 315, 600,000 \$5,000 after the 125-member city police force went out on strike for the first time in the city's history. Said Joseph Sims, executive director of the New South police association, of the strike. "It's going to be a long one."

NORTHWEST DISSENT

Daniel Norm, 54, a Métis born in a remote trading post 35 km south of Inuvik, became the first native to be appointed commissioner of the Northwest Territories. The commissioner serves as the territorial equivalent of a provincial governor, the provincial representative of the Crown.

NOB REVERSAL

The New Democratic Party's governing council adopted a report calling for changes in the Meach Lake metropolitan area. The report says that the party should consider not to having the second attempt to provide, among other things, shelter for people of native origin, social inequality and Canadian multiculturalism.

A CUTOFF FOR MOSCO

Senators Charles Scott, Services Minister Jean Charest, said cut funding to the 100,000 for troubled youngsters and said that the government would no longer aid children to them. The houses, based on Saskatchewan in 1973 by Roman Catholic priest Rev. Lawrence Larm, was was granted a modification of the treatment of difficult to handle teenagers. But reportedly, they have since under attack because of allegations that Larm physically abused youngsters.

POSAL STRIKE THREAT

Posal, workers said that they are prepared to launch a strike against a Canada Post is put up for sale. (Harvey Andre, the federal minister responsible for Canada Post, had called privatization of the Crown corporation "a real possibility.")

Fear—and opportunity

Talented Chinese choose to stay in Canada

About 9:30 p.m. on June 3, Li Zheng was walking down a busy Beijing street to join thousands of student demonstrators in Tiananmen Square. Then, when he was still 10 blocks away, a formal scout the 34-year-old University of Toronto student to get out of the area. He did, and 30 minutes later, soldiers from the 27th Army division down the street and opened fire on the crowds. The next day, Zheng, who had returned to his homeland to visit his family, said that he was horrified to see the bloodstained corpses of some of the thousands of students slain in the previous night's crackdown being carried away in car loads. Since Zheng lost work, he has joined about 300 demonstrators outside the Chinese Consulate in Toronto to mark the 10th anniversary of the massacre. "I had always wanted to go home to China to live. But Tiananmen Square changed all that."

As police demonstrations were held around



Winning the democracy movement in Toronto, divided families

the world to denounce China's military crackdown, Zheng's sentiments were echoed by other Chinese citizens in Canada—most of them in Vancouver, Toronto and Montreal. Since the massacre, more than 6,000 Chinese

networks—including Zheng—have applied for behind-atrium visas under "humanitarian and compassionate" provisions that Immigration Minister Barbara McGahey announced for Chinese on June 16. So far, officials have given preliminary approval to more than 5,000 applications, virtually all involving students, who, immigration spokesman say, will most likely be granted permanent resident status within one year.

That record has generally won the approval of immigration advocates, who say that the students—many of whom hold advanced degrees in fields such as computer science and engineering—have valuable skills to offer Canada. Doctoral student immigration lawyer Richard Barlow said, "We have managed the brain-drain crisis of the decade. Chinese students should be the cream of a nation of one billion people, and that has caused consternation in Beijing."

The Chinese government has harshly criticized Canada's position and pledged that students returning from abroad would not face any restrictions. But most students appear to be skeptical. Dennis Lu, 36, a PhD student in medical science at McMaster

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Canada, he suggests that several friends who returned to China since the crackdown have been arrested. Other students said they felt that government crackdowns also to monitor aspects of China's reformers. He believes that the political purge has been a 1980s, instead in the experience of intellectuals in revolution camps to do last annual labor.

Some students, including Lu, say that at least a few of the refugees' classmates are in fact government officials sent by Beijing to influence the negative campaign. Despite these concerns, Chinese student groups across Canada are working to keep the pro-democracy movement alive, organizing demonstrations like last month's and drawing to the Red Cross and Amnesty International to help victims of the crackdown. Meanwhile, cultural groups such as the Chinese-Canadian National Council (CCNC) have co-ordinated job-fairing seminars, immigration counselling and emergency financial assistance to Chinese students in five Canadian cities.

Among these recruiting aid is a 28-year-old tour organizer from Shanghai who arrived in Vancouver on July 2, applied for limited immigrant status last month and is now studying English. He spoke to *Maclean's* through a translator and asked that his real name not be used. He said that he was sponsored in the student program in Vancouver before in May and that he learned the authorities may harass his wife and eight-year-old son, who are still living in China. Because he has no work permit, he is supporting himself by working as a deputy subway driver at a Chinatown restaurant for \$30 per 12-hour shift. "I do not dare think of leaving my family over here," he said, and the case, who rents a \$80-per-month room, no longer than a spare-car bed. "I cannot take this case of myself here."

Still, most Chinese students face few difficulties. Many had already been studying in Canada for several years and have an impressive list of credentials. Zhi Gu, for one, has completed a PhD in physics at the University of Waterloo after arriving in 1983 as a student visa. Gu, 35, had planned to return to China as a researcher on sabbatical but decided to extend his studies in Canada after being offered a \$25,000 research contract for postdoctoral studies at the University of Toronto. Then, a month after the crackdown in Tiananmen Square, Gu applied to become a permanent resident. Pricing for his salary if he returned, Gu says that he also realized Canada offered more opportunities. Said Gu, who has published 18 papers in scientific journals in the past five years: "I have done research here which could not be done in China. In China intelligence is put down. A factory worker earns much more than someone with a PhD."

Other students had similar views. Ling Guo, 35, received a PhD in electrical engineering from the University of British Columbia last year, and now earns \$36,000 annually as a Toronto-based computer systems analyst—a job that would carry an annual salary of about \$500 in China. Said Guo, who applied

for landed immigrant status in April: "Here, you can get a better standard of living." As a result, said Toronto immigration consultant John Cropper, China's military crackdowns simply gave students an added motive to stay. He added: "Most of the students were already by the opinion of the West. They would have done anything to stay."

But other experts say that most of the students still want to return to China if the political climate improves. Said Frank King, president of the CCNC's Ottawa chapter: "Some of them can wait 20 years what they would make in China, but here they cannot share it with the

ones they love." That is the dilemma facing U of T's Zhang, who applied for landed immigrant status in July. Zhang says that he would like to bring his wife to Canada on a visitor's visa, but that he is uncertain if the Chinese government will permit her to enter. He told Zhang: "It is a Chinese saying. This policy is like the moon, it changes every day." But as last week's demonstrations showed, even for these students who are planning to stay in Canada, prospects for democracy in China is an ending process.

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Drugs and guns

Is a Colombian assassination team in Canada?

It began when police in Edmonton, N.B., in the north of the province on the border with Maine, stopped a car and a van traveling together on a quiet residential street around 5:30 p.m. on Sept. 13. They were surprised for what they discovered: a deadly arsenal that included an U.S. automatic gun, two assault rifles and 3,000 rounds of ammunition. By noon the next day, five men were in custody in Edmonton and Saint John, 380 km away in the south of the province.

All spoke Spanish and carried Venezuelan passports. But as the search for other suspects continued, attention focused on Fredericton, where two Colombian expatriates took on Sept. 14 to face charges of importing cocaine. And speculation in the shadowy world of the streets told drug trade quickly speculated that an armed gang had been sent to fight a slanging war. Predictions of Robert Kupperman, an expert on terrorism at the Washington, D.C.-based Center for Strategic and International Studies: "There will be many other such arrests in other places. The hit squads are coming."

The first tip came on Wednesday afternoon from a woman in Edmonton who told police that she had seen several men in two cars and a van "acting suspiciously." Shortly afterward, a patrol officer spotted two vehicles matching the woman's description, one with New Brunswick and the other with New York license plates. When five officers approached with dogs revolvers, the two men driving the vehicles surrendered without a struggle. Sent Edmonton's deputy chief of police, Det. Peter Polster. They just looked surprised, like they didn't know what they had done wrong. An hour later, police spotted a third suspect vehicle in the parking lot of a small three kilometer away. Police screamed one man in the car and a companion, who was making a call on a mobile pay telephone. The following day, police in Saint John arrested a fifth man as he was returning a rented car.

In addition to the U.S. assault rifles and ammunition, police said that they found several handguns, camping equipment, an inflatable

boat, diving gear and another Venezuelan passport in the seized vehicles. According to his passport, the man arrested in Saint John was William José Rodríguez, 33, of Caracas. At work's end, he had weapons and ammunition charges. The four others, charged with a variety of weapons violations, were identified as Tito Sánchez, Eusebio Mancuso, Orestes González and Wilmar Ramon Zamora, all of Venezuela. All were due back in court this week.



Police guarding Fredericton courthouse: "The hit squads are coming"

Montreal, police suspect the premiere were looking for other suspects. In particular, Saint John police added citizens to be on the lookout for at least three men seen with Rodríguez shortly before his arrest. Sgt. Gail-Ann Dallas Uppalant: "These are officers out there."

It quickly became evident that the identities of the five may well have been clues, Edmonton's Polster said that he believed that all of the Venezuelan passports had been "stolen," and he said that at least some of the arrested men may actually have been Colombians. He added that the prospects indicated that the four men arrested in Edmonton had flown directly to an unsuspected country in South Amer-

ica in Canada (New York). At Edmonton and that hour of the first said that they cannot speak English, and that all five were reluctant to talk to police on the street of lawyers.

Despite the potential threat to proceedings, the Fredericton hearing went ahead, but only after cases that two dozen heavily armed members of the RCMP and Fredericton city police special response teams surrounded the courthouse and searched everyone entering the courtroom. Armed guards entered the two accused men José Luis González Escobar and Fernando Agustín Medina Jimenez—both aged 36—into the courtroom courthouse for their preliminary hearing on charges of importing 3,100 lb of cocaine into Canada last April 3. They arrested the two men in Toronto after a two-engine Boeing Commander aircraft, allegedly flown by the pair, crash-landed in a wooded area north of Fredericton. In the following days, police arrested 12 more people—several of them Colombians—in Montreal and Toronto and seized cocaine valued at about \$350 million.

Since then, Canadian authorities have asked the Colombian government to extradite Diego Caicedo of Medellín suspected of manufacturing, and several other drug shipments to Canada. In the wake of Colombia's recent crackdown on the drug trade, however, the country's drug barons have issued threats to strike back at efforts to extradite them. And one source close to Canada's anti-trafficking campaign told *Maclean's* that the Colombian kingpins may have dispatched a hit team as a result of the Fredericton case. Said the source: "They were there to see that the damage in the court did not get extreme. Basically, they were there to do away with [the two defendants]."

Meanwhile, American authorities—including members of the U.S. Border Patrol, U.S. Customs Service, the Federal Bureau of Investigation and the Drug Enforcement Administration—have been helping Canadian authorities investigate how the men arrived last week made their way to Canada. That some of those officials speculated that the events in New Brunswick may only be the first of many similar incidents in the weeks to come. Sgt. Kupperman: "We believe the drug lords are quite capable of willing teams to assassinate judges, political leaders or anyone they see in their way." Distance may be an obstacle against the revenge of the Colombian drug cartel.

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STORM CLOUDS OVER QUEBEC

AFTER APPEARING TO WIN THE PITCHED BATTLES OVER UNITY, CANADA MAY INSTEAD BE LOSING THE PEACE



Twenty years ago this weekend, the atmosphere in Quebec was thick with a nationalist fervor that, the following year, would explode into the October Crisis. Already in 1969, a wave of bombings had targeted targets as diverse as Montreal's elite Belkora Club and the home of the city's mayor, Jean Drapeau. In June, the mayor St. Jean Baptiste Day parade turned into a riot. A decade later, the violence was about, but there was no less tension when then-premier René Lévesque, speaking in the town of Alma, 175 km north of Quebec City, on Sept. 22, 1979, first delivered a speech that he would make dozens of times in the coming months, urging Quebecers to reject Canada in a referendum. At the time, the vote stands to Confederation provided a decade of national self-determining.

The political landscape in the autumn of 1980 appears transformed. What has been in the campaign for the Sept. 25 election in Quebec has been largely by environmental concerns and a dispute over public service unions—issues that could so easily seem almost irrelevant in Canada. Parti Québécois leader Jacques Parsonas has campaigned as a separatist vision more radical than Lévesque's ever was—drugs of addiction in the run of the country.

Danger: That may be partly because of the widespread expectation that Québec's avowedly federalist Premier Robert Bourassa and his Liberals will defeat the Q. heady. But in greater part, it may result from the assumption inside Québec that the tide of separatism, stopped in the streets in 1976, was turned back for good at the ballot box in the 1980 referendum.

But there is a growing sense that the comfortable view is wrong, in essence, in fact, that after appearing to win the pitched battles over unity, Canada is in danger of losing the peace. Peter Denham, dean of the Graduate School of Journalism at the University of Western Ontario in London, and the author of several books on Québec, recently

surveyed federalist versions of the referendum debate and found, he says, "more pessimism than at any time in the last 20 years."

In July, Gallup Canada Inc. polled 3,824 Confederates and recovered the highest level of support for Québec's secessionist quest: record of 35 per cent openly favored breaking up the country. Confederates willing to abandon Confederation are easy to find. "I hear more and more people saying, 'If they want to go, let them,'" remarked James McLaughlin, 52, a Halifax retiree who spent 39 years in the Canadian military. "It will be a burden off our backs."

It is a strange culmination to three decades of enormous change. Since the death of Québec's Union Nationale Premier Maurice Duplessis 30 years ago this month, Québec has wandered between and social upheaval to emerge as a secular, sophisticated and urban society, firmly in control of its destiny. Québecois culture and economy. Canada as a whole has shaken off most of its remaining British affiliations and adopted a political order based on the multiculturalist view that is increasingly evident on the streets of its major cities. The shadow of the War Measures Act has lifted from relations between Québec and the rest of the country, to be replaced by the Meech Lake accord.

Rights: Still national incomprehension and distrust exist, over the dialogue between Québecers and their fellow Canadians. And on few topics are those differences deeper than Meech Lake's "distinct society" clause. It is a phrase that Bourassa and other Québec federalists use to accurately describe the cultural reality of their province but that critics claim may allow Québec's leaders to ignore the rights of individuals and minorities. Those opposing terms have questioned Parsonas's nationalistic appeal to Québec voters. And they seem certain to complicate Bourassa's goal of securing the accord's endorsement at its campaign as the winter election nears.

It was Liberal Premier Jean Lesage who set Québec's so-called Quiet Revolution in motion in the 1960s. Lesage wrestled control of French education from the Roman Catholic Church and took privately owned electric power companies and of the grip of their mostly anglophone shareholders. In 1964, refusing to join the new Canada Pension Plan, Lesage created Canada's distinct Québec plus with its own pension fund, the Caisse de dépôt et placement.

In the wake of those successes, young Québecers began for the first



Montreal demonstrators in 1981: willing to abandon Confederation

time to learn more in school about science than about philosophy. Hydro-Québec became a training ground for young francophone engineers and managers. And the Quiet began to build off the ambitions of Québecers entrepreneurs. At the end of 30 years, a new, French-speaking elite has largely supplanted the anglophone business class that once dominated the province (page 22).

Insolvency: Lévesque's government completed Québec's transformation. In July, 1977, his Culture Minister Gaston Laurin introduced sweeping legislation to restrict the use of English in business and limit access to English education. Laurin declared in the time, "We are going to proceed by helping what is French and by restricting what is not."

Laurin's Bill 101 provoked outrage among anglophones, but it had its intended effect. The English signs that had seemed to belie Montreal's status as the second-largest French-speaking city in the world disap-

peared. French became the first language of business. More subtly, the bill removed the crust of a pervasive insecurity that the anglophone had harbored as a minority toward English Canada. Following the 1974 defeat in 1976, Bourassa did not tangle with the law's central provisions. "Language is not a purely cultural question," he said, in explaining that decision to Montreal's "To change Bill 101 for a lot of French Canadians, would be affecting cultural security."

Canada has changed equally dramatically in the same years, but along a different course. While Québec acted to preserve and assert its cultural identity, so-called English Canada dismantled many of its remaining connections with Britain—and embraced as ethnic reality that defined a single cultural description. Some changes were symbolic: a new flag replaced the colonial Red Ensign, and the word "Royal" disappeared with the affiliation of the Armed Forces in 1987.

But other changes altered the character of the country much more profoundly. The federal government adopted official bilingualism in 1969. Gradually, Canada has become multilingual as well as multicultural. By 1987, Asians, South Americans and Caribbeans had overtaken Europeans to make up three-quarters of the country's immigrants. After the Constitution was changed—over Québec's significant protest—in 1982 to include a Charter of Rights and Freedoms, it was used repeatedly to challenge what remained of British colonial dominance and to champion the equal rights of the country's emerging tapestry of ethnic minorities.

Threat: The result is that Québecers and other Canadians feel little common ground on some critical elements of the Meech Lake accord. Among francophone Québecers, the distinct society clause is seen as an affirmation of their right to the autonomy that they have won over the past three decades—in particular, the right to protect their language. Canadians elsewhere, attuned to the demands for recognition of ethnic cultures, tend to regard the clause as a threat to the rights to diversity guaranteed in the charter.

Language brings those different perspectives into their most painful conflict. Edgar Newman, a 26-year-old Vancouver lawyer, expressed a view of Québec's language laws that seems to reflect the opinion of much of English Canada. "The impression is that the English minority has not had its rights." At the same time, Arthur Silver, a former resident of Montreal and a specialist in Québec's development, pointed out that many French-Québecers "feel themselves a threatened group, must would not agree that Bill 101 was a fundamental violation of the freedom of speech." Said political scientist Laurent Dubé, dean of Simon Fraser University in Burnaby, B.C., of the two views, "What is regarded as an unimpaired good by English Canadians is regarded as an unimpaired bad in Québec."

For Jacques Parsonas, that is one more reason to abandon Confederation. As he told *Maclean's*, "Canada and Québec don't have the same priorities." For Bourassa, it is a divergence of views that he has promised to make resolvable. "These are national demands," he says of Meech Lake. "Canada, as the leader of Québec, cannot say yes." His words hauntingly echo René Lévesque's 1967 remark that "there is no real maximum of change needed to secure our collective security." At the time, Lévesque added, "This is a minimum which, for the rest of the country, is completely unacceptable." If even with the days and weeks that follow Sept. 25 prove that Lévesque was right, and Bourassa has been wrong, the future of 1989 may in the end prove to have been even closer to turning point in Canadian history than the success scenario that came before.



COVER

THE CANADA VOTE

SEPARATISM IS THE ELECTION ISSUE AGAIN



Wearing giant blue-and-white Quebec flags emblazoned with the fleur-de-lys, paraded into Montreal's main-end Maurice Richard Arena for the biggest rally of the election campaign. With every speech peppered with references to Quebec's independence and the sanctity of the French language, the cheers and applause grew more intense. The finale of the evening,

just 35 days before the Sept. 25 vote, was a ringing call to arms by PQ leader Jacques Parizeau. Declared Parizeau, to a tumultuous ovation: "We are Quebecers. We have the right to be Quebecers and we have to make the Quebec nation now."

Bilingual, but, in the midst of these renewed debates on independence, both Parizeau and Liberal Premier Robert Bourassa have had to fight their campaigns with one eye on Quebec's chaotic labor situation. First, the province's 40,000 nurses went out on an illegal strike on Sept. 5, causing hospitals to close beds and turn patients away. Then, last week, as the nurses were considering a new agreement between their union leaders and the government, another

225,000 hospital workers, teachers and other civil servants walked out, seriously disrupting health care and schools across the province. At the end of last week, Bourassa briefly suspended his campaign in order to ensure the strike didn't touch care in the province. This got under way with some of the striking nurses, but he insisted that the government would not negotiate with 95,000 hospital workers and with other strikers whose walkouts were illegal. "This sick, the aged and the handicapped have been left ancient for by these workers," declared the premier.

But beneath the surface of the labor unrest remained the perennial dispute of Quebec's place in Canada. No Quebec election in 30

Bourassa (left); Parizeau: nationalist rhetoric

years has been fought without acknowledging that some is some way. But in the current campaign, it has a particular clarity. Since winning the PQ leadership in 1984, Parizeau has cut through the mazes of post-election and the analogies of the 1980 referendum on "sovereignty-association." The clearest that he is willing Quebecers as clear, independent, free and complete. But Parizeau's straightforward appeal is a gamble. He is addressing the national issue as a fundamentally changed environment when it may no longer capture the imagination of Quebecers as it once did.

Risk. At the same time, the PQ no longer has a monopoly on the emotions of nationalism. Using hundreds of thousands of dollars in his own campaign appearances across the province, Bourassa effectively adapted the PQ's most potent symbol of Quebec nationalism. The premier calls himself a federalist, but his campaign address is as fervent with nationalist rhetoric. And his running on a record of protecting controversial legislation designed to safeguard the use of French in the province.

But there is an element of risk for Bourassa as well. The Liberal leader's nationalist stance has deeply antagonized Quebec's English-speaking population, which remains a potent voting block in many of the 122 ridings in the national assembly—59 of which the Liberals won in the last provincial election in 1985. The PQ taking 23 ridings. Indeed, in several heavily Anglophone ridings, candidates for the federalist Equality party threatened to drain Liberal support by campaigning for additional English rights. And Bourassa's supporters have been little support in the rest of Canada, where his stance on securing approval of the Meech Lake accord—which has yet to be ratified by New Brunswick or Manitoba—in order to reform his campaign pledge that Quebec has a place in the Canadian Confederation.

Risk. Still, it was pocketbook issues that got most of Bourassa's attention. He designed his campaign strategy on the campaign that economists have stipulated culture as the central preoccupation of Quebec voters. Indeed, in an interview with *Maclean's*, Bourassa described economic success as "the most dynamic form of nationalism of the 1980s" (page S2). Whichever campaign across Quebec in its historical black-and-yellow campaign colors, Bourassa stressed his economic record. Speaking in his characteristic low-key style at events where in many cases the only energy was provided by rock music, Bourassa outbripped the Liberal's 34-per-cent annual economic growth since 1980, a 10-per-cent annual increase in capital investment in the same period and the creation of 223,000 new jobs.

But unexpected events disrupted the Liberal agenda almost immediately. In late August, a controversy broke out over the government's decision to shore thousands of pillars of rock waters near Beauport. Years ago, when Quebec watched television images of riot-swinging riot police clearing the way for containers of waste to be carried through a crowd of local residents protesting against the decision.

No matter how that controversy faded, the Liberal campaign was rocked again, by the wave of strikes. The province's 40,000 nurses and nurses paraded the province's hospitals for a week with an illegal strike for higher wages. That dispute ended last week, and the nurses went back to work on a new agreement with the provincial government. But then, 225,000 more public-sector workers—including hospital kitchen staff and cleaners, and police elementary and high-school teachers—poured onto the picket lines, some briefly, others in government buildings. On Friday, many government offices were closed as 42,000 workers picketed outside their doors.

"Incompetent." That day, Treasury Board president Daniel Johnson, responsible for public-sector negotiations, announced that he was going to work this week after a two-day strike would begin on the weekend and continue "round the clock, until we have something." Johnson also offered to set up a committee to try to resolve the dispute with the hospital workers—as long as they went back to work. For his part, Parizeau made the most of the PQ's case, criticizing Bourassa for "incompetent" handling of the waste disposal problem.

But the PQ leader was limited in his ability to capitalize on the strikes: it was he, as finance minister in 1982, who ordered a 20-per-cent rollback in public-sector wages. But many unions are working to regain in the present dispute. Still, he said in an interview last week that the strikers now deserve more than the four per cent that the government was offering in the first year. Added Parizeau: "The workers have the right to want to participate in the collective economic growth."

In any case, the endgame of Parizeau's campaign remained independence. The former PQ finance minister had pledged in March, 1984, to make sovereignty his main theme "before, during and after the campaign." It was a marked change from the strategy followed by earlier PQ leaders René Lévesque and Pierre Marc Johnson. They had spoken euphematically of "sovereignty-association" and "national affirmation." But Parizeau says that a vote for the PQ would be a vote for independence as soon as possible. Referendums, he said, would be held only to put pressure on the federal government to relinquish power over family law and other areas as the transition period between proclamation and independence, and later to approve the constitution of an independent Quebec. Craig Gilling that showed a solid core of support for sovereignty—34 per cent of Quebecers, according to Gallup Canada Inc., favored independence in one July survey—Parizeau declared, "The Parti Québécois is going through a remarkable rejuvenation."

But opinion polls still showed the PQ, although gaining ground, trailing the Liberals as they have throughout the campaign. A poll by

Striking government workers in Montreal: campaigning in a chaotic labor situation



Muslim-based *SHIRAZ*, confined only last week and released on Sept. 15, says the Liberals 67 per cent of December were support, compared with 49 per cent for the PQ. And, significantly, a poll conducted a week earlier by another Montreal campaign, Centre de recherche sur l'opinion publique (CROP), contradicted *Parade's* assertion that Quebecers turn positively opinionated in a referendum. Majorities of prime importance to the largest number of respondents—23 per cent—were the economy and employment.

The government does indeed win 15 per cent. *Le Devoir* doesn't even a distant third, at eight per cent, and the March-Lake constitutional issue was the main interest of only one per cent of those polled. *Parade* also said the only consensus in favour of political action was Pierre Falardeau, at the University of Quebec at Montreal, noted that "There is no consensus now both for and against independence. What Quebec wants now is more deficit in economic areas."

Toughie Still, both Perreault and Bourassa have appealed to a lingering cultural anxiety that is never far from the surface and always reliable. Last December, it appeared that the premier might initiate Bill 161, the province's tough French-language charter, after the Supreme Court of Canada struck down its ban on bilingual signs as unconstitutional. As a result, 80,000 people poured into the streets of Montreal protesting the ruling. The display of public anger contributed to Bourassa's decision to introduce only token modifications to the bill—permitting unvoiced languages, with French, on signs made commercial establishments in smaller type than the French. But some francophones accused Bourassa of doing too much. Said Bourassa: "The security now comes from the increased contact Quebec has with the world. But it has not decreased."

Bourassa's actions may have appeared most threatening to voters but they argued away anglophones, who, traditionally, are Liberal voters. In Montreal, one group was angry enough to brand a new entry, the *Liberal* party, transparent as glass. The party, opposed by political apophyses and with little money, nominated 17 candidates and made a surprisingly strong showing in opinion polls. The party to be favoured by 45 per cent of respondents, compared with 40 per cent who supported the Liberals. While the party was willing to allow the on-site influence of power in the province, it did agree with placed in effect at least one candidate. Last week lawyer Richard Hildes, 38, seated in an area rich in the wealthy Montreal riding of Westmount against incumbent Liberal MP William Ivens, 54, a former banker who returned to the province only weeks before the election after living in Washington, D.C., for 16 years.



Clearing protesters in Bolo-Comet's disrupted agitation

A separate poll by *Globe* in July underscored the challenge that faces Bourassa in securing the support of the other nine provinces for the March-Lake agreement, which recognizes Quebec as a distinct society. More than half of the respondents outside Quebec told the public-opinion company that the accommodations to Quebec contained in March-Lake are "requiring too much" of the rest of the country.

Bourassa's split tactic to secure the participation of March-Lake provided him with added ammunition for his attacks on Confederation. "The March-Lake accord is dead," Perreault said last week's rally in Montreal. "There is only one alternative: the sovereignty of Quebec." And he welcomed the rise in support among English-Canadian voters for the Liberal, anti-independence, "the trust, said Perreault, was "a new phenomenon, not unusual, as far as the rest of Canada is concerned, Quebec is a pain in the neck."

But the two leaders agreed

on an even more fundamental threat to Quebec's francophone identity: the implications of a long-standing dividend in the province's birth rate. Perreault's best-case last year was among the lowest in the Western world—approximately 1.4 births per woman, compared with 1.7 for the rest of Canada and the 2.1 that are required to increase the population beyond its present 6.5 million. The problems for Quebec nationalists are compounded by the fact that 60 per cent of immigrants to the province do not speak French. Citing the demographic pressure to attract francophone Quebecers "The most important challenge of the decade for Quebec," Bourassa last week promised to match a year-old program that currently pays parents cash bonuses for each child they have.

Bourassa But it is the immediate implications for Quebec and the country as a whole that will have observers examining the results of next week's election closely. Clearly, the outcome will reveal the real extent of anglophone discontent in Quebec since the 1980 election and the 60-year-old rejection of sovereignty-independence in the 1980 referendum. As accurate in support of the Parti Québécois have its 39 per cent popular vote in the 1985 election could strengthen the conviction of those, inside and outside Quebec, who believe that Confederation is doomed. On the other hand, a failure by the PQ to win to match its 1985 results could devastate Perreault's leadership. It may also make room for a new party in Quebec, more nationalistic than the Liberals but opposed to a platform of outright independence (page 21).

Anytime you produce a political victory, however, said Bourassa, will interpret as an endorsement of his stand on the March-Lake deal. The premier has declared that a failure to ratify March-Lake would be "handicraft" for Quebecers. He added, "I cannot exclude a serious reaction if Quebec is perceived as not being wanted in Canada."

Clearly, a Liberal victory would not make the end of the emotions that filled Montreal's Mount Royal Avenue last week. But a victory would confirm that a majority of Quebec's voters still see Bourassa in Canada, at least in the "new" that Bourassa wants to see in the March-Lake deal. The same emotional ally would then be used for the rest of the country to deal with.

MICHAEL ROSE is Montreal with comprehensive reports

DISSIDENT MODERATES

SENIOR QUEBECERS CONSIDER A NEW PARTY



As well as electing a new provincial government on Sept. 25, Quebecers may determine the face of a party that does not yet even exist. If Parti Québécois leader Jacques Paré should win the seat of the province's most powerful politicians—including federal cabinet ministers Lucien Bouchard and Denis Bouchard and former Quebec premier and Parti Québécois leader Pierre-Marc Johnson—are taking the waters for the prospects of a new provincial party. They are hoping to attract Quebec nationalists, Tories and dissident Liberal Republicans. Still, one prominent federal Tory involved in the effort "It would be the same coalition that has won Brian Mulroney the last two federal elections in Quebec."

Swiftness The decline of the Parti Québécois right the first of two preconditions for launching the new party, say strategists say. The second is the failure of the March-Lake accord—a setback that could send separatist Tory wins from Quebec back home to fight for an alternative deal for their province. His Transport Minister Denis Bouchard told *Maclean's*: "If Canada says to me, 'We will accept Quebec, but only from our own perspective,' I will be very tempted to go home and do something else." Such defections would deal a serious blow to Mulroney, who has always maintained that there is a place in federal politics for people who fought as such sides of the 1980 Quebec referendum (but sleepers expressed doubt that a new party could find a place in a province where both ends of the separatist spectrum are actively occupied. The second of the two preconditions is the support of a new Quebec party across in November, 1987. At that time, the Parti Québécois mounted the crash of its founder, René Lévesque, and a week later, new PQ leader Jean-Jacques Lussier, under pressure from separatist hard-liners who've been his foe for 1980-referendum defeat. Many moderates left the party with Johnson, who now teaches law at Montreal's McGill University. And while the former premier has been conspicuously absent from the current election campaign, close observers say that he and Jean Bouchard, a friend for 25 years, have discussed the option of a new Quebec party.

Johnson and other moderate nationalists say their outright separation is unrealistic at the polls. At the same time, the failure of March



Lucien Bouchard: a potential blow in Mulroney

Lévesque would leave many federal Tories from Quebec bewildered. Said one who has been involved in the discussion "If we exhaust the options in March-Lake, we will have to choose not to explore other avenues." One proposal is a series of referendums within the province to give force to Quebec's demands for constitutional accommodation from the rest of Canada. But its planners add that the new party would also embrace federal conservatism, environmentalism and respect for minority rights.

Chief But Premier Robert Bourassa, by taking a national stance on language and constitutional rights, may have left very little room in Quebec's political spectrum for another party. Said former Lévesque and Johnson adviser Jules-Paul Vézina: "The Liberals have adopted the moderate nationalist stand that we had when Lévesque was leader. A new figure on the scene would have to beat

Bourassa at his own game."

The defection of Lucien Bouchard to a potential party would be especially upsetting to the Prime Minister. Former classmates at Laval University Law School in the early 1960s, Bouchard and Mulroney remained friends even as they engaged in opposite sides of the 1980 Quebec referendum. And Mulroney weathered sharp criticism when he appointed the former separatist as Canada's ambassador to France in 1985 before appointing him as federal politics and now cabinet in 1986. Last week, Bouchard declined to comment on the proposed party, but friends of the minister told *Maclean's* that he has given little over opposition to the March-Lake accord in English Canada. They predicted that, if the second falls, Bouchard will leave Ottawa and probably take other members of Mulroney's Quebec caucus with him. "If March fails," said former PQ cabinet minister Claude Morin, "it will be very difficult for the two governments to remain in Ottawa. It will be time embarking."

The formation of a third Quebec party would be likely to dismay Mulroney for another reason. Since 1984, he has been in a delicate dance with the provincial Liberals in Quebec. Under the unwritten terms, many provincial Liberals vote for the Tories in federal elections. "The appearance of a new party in Quebec could mean the end of a new party in Quebec could mean that agreement."

Fear But even those dissident Tories who are considering returning to Quebec say they are still firm supporters of Mulroney. Said Bouchard: "I came to Ottawa because of Brian Mulroney. I know that if he cannot succeed at passing March-Lake, nobody can." Still, if March-Lake fails, that confidence would be small comfort for a Prime Minister losing his strongest francophone ministers.

LISA VAN DERBEEK is Ottawa

COUNTING ON MEECH LAKE

WHAT QUEBEC WANTS, 'WE HAVE IT'



It has been a roller coaster ride in politics for Robert Bourassa since he was elected, at 36, the youngest premier in Quebec history in 1970. After a stunning defeat at the hands of the separatist Parti Québécois six years later, he went into self-imposed political exile as a university lecturer. In 1986, the United States and Canada for six years. Re-elected Liberal leader in October, 1983, Bourassa led his party to an overwhelming victory in the December, 1985, provincial election. Now Bourassa, 58, is seeking a second conservative term as premier in Quebec's Sept. 20 election. Mackenzie's Montreal bureau Chief Michael Rose interviewed him at a campaign stop in Rimouski, Que.

Mackenzie: Much of English Canada still seems to be asking, 'What does Quebec want?' What is your answer?

Bourassa: I think the majority of Quebecers voluntarily accept being full partners within Canada. In negotiating the Meech Lake accord, we chose words that we thought were very realistic proposals, a small number. I said I would Quebec within Canada, but is unclear to where that I couldn't see for things which are unacceptable to the rest of Canada. So what does Quebec want? We have it. I come out with what is acceptable at Meech Lake. Canada is one of the most privileged nations of the world. Quebec wants to be part of that society if it is accepted.

Mackenzie: There is the accord in hand, is that the desire will leave of Quebec's independence?

Bourassa: Never is a difficult word to say in politics. But I expect that after so many years, Quebecers will be quite happy to go back to other issues for a relatively long time. I think we will have constitutional peace.

Mackenzie: And if it is renewed?

Bourassa: This I can't tell you now. The decline for Meech Lake is still 18 months away, and much will depend on the result of the debate. But I cannot exclude a serious situation if Quebec is perceived as not being wanted in Canada.

Mackenzie: Do you think that your decision last year to prohibit nuclear commercialization in English, with Bill 176, is forcing some



Bourassa: 'I think we will have constitutional peace'

pressure to rethink their support for Meech Lake?

Bourassa: I don't know. I would say it should not. Meech Lake is an improvement for both the French-speaking minorities inside Quebec and English-speaking minorities in Quebec. Of course, there are things bothering Quebec in Meech Lake, but if you read it carefully you see that the fundamental characteristic is that the English-speaking community exists in Quebec. Don't forget that Bill 176 was strongly opposed by Quebec nationalists, it is even now. They said I was betraying Quebecers allowing English signs in shops. I come up with a pragmatic solution taking into account cultural insecurity on the one side and the issue of international rights on the other. If there is an answer of good faith on both sides, I still believe there is an acceptable way of being the challenges of the 1990s. Mackenzie's 'Why does it have to reach controversy?

Bourassa: Because sometimes situations prevail over reason in politics.

Mackenzie: Are the threats to the French language and culture felt as strongly now in Quebec as when you first came on the political scene?

Bourassa: Because of demographic problems, language and culture are still a dominant fact of Quebec political life. The level of immigration, especially in Montreal, is increasing rapidly, so this is creating some cultural insecurities for the French speaking population. That is why I felt I was justified to come to with Bill 176, even though it was obviously not satisfactory to many English-speaking people. But another big change is economic nationalism—and this could partially explain my political success, because I always put the economic growth of Quebec as my very top priority. I would say the most dynamic form of nationalism in Quebec in the 1980s will be economic nationalism.

Mackenzie: But does the new, confident Quebec you talk of mean that the province could defend its interests just as easily if it were an independent state?

Bourassa: Yes, but we are living in an era of interdependence. A top issue now is the campaign has been the environment. This will not be solved by the fragmentation of Canada—it demands consultation, collaboration. So why would you get out of Canada to solve environmental questions? Federalism is by definition the most flexible political instrument. Why can federations not be adapted to the needs of Canada and Quebec? Mackenzie's Are you concerned that businessmen in your province are no longer attracted by the idea of an independent Quebec?

Bourassa: Yes, some of them just don't like the federal budget deficit, but I don't think an independent Quebec will solve that question. I would like to say that between a party which is promoting stronger economic strength like Quebec and a party which is proposing the separation of Quebec, I know where the choice of business leaders will be.

Mackenzie: Some Quebecers say that you have become more nationalistic over the years and may even be a closet separatist. How do you respond?

Bourassa: That is the perception in English Canada because of Bill 176—which obviously was not an easy decision as any party. That was not very well perceived in the rest of Canada, but time could correct that. As for me, I'm still saying that Quebec, to be strong, has to be economically strong. I'm still talking the same language. □

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SEPARATE FUTURES

THE PQ'S LEADER DEFINES HIS GOALS



Conservative like progress has become Part II. Quebec's leader, Jacques Parizeau, is a Frenchman, but his conservative image is misleading. An economist who was a key counsel to a succession of Quebec governments during the Quiet Revolution of the 1960s, Parizeau turned out remarkably as a bold-free individual who has been forced into a role by the PQ government of René Lévesque between 1995 and 1998. Leader of the party since 1987, he says that if the PQ wins the province's Sept. 23 election, he will lead Quebec out of Confederation by gradually gaining back powers for the province and by submitting the constitution for an independent Quebec to the voters in a referendum. Maclean's Montreal Bureau Chief Michael Ross interviewed the confident-looking, vivacious Parizeau, 59, for 45 minutes in the opposition leader's office.

Maclean's: Do you have a realistic chance of winning a majority of Quebecers to support your platform of separating from Canada?

Parizeau: Yes, and I think it is happening rather quickly. After the 1984 crisis in the Parti Québécois—when it abandoned sovereignty as its central theme—the conventional wisdom was that Quebecers were no longer interested in independence. But when the question started being asked again in public-opinion polls, it suddenly dawned on people that support for sovereignty has stayed at roughly 40 per cent—the same as it was in the 1980 referendum results.

Maclean's: But do you think that Quebecers now care more about economic issues than their feelings for their language and culture?

Parizeau: Certainly not. That came from the wild thinking of ideologues who fear that the idea of sovereignty is making a comeback. But because of this, the recent crisis over bilingual signs brought 60,000 people out into the street. That is even bigger than the 50,000 we had in the 1980s and 1970s.

Maclean's: Do you sense that Quebec's business community is now less concerned by the idea of independence?

Parizeau: Oh yes. They know now that sovereignty is not a handicap to growth. The Canada-United States Free Trade Agreement has changed their perspective considerably. Having access to the large American market leaves the need for more revenue to discuss sovereignty for Quebec.

Maclean's: Give your finger on independent Quebec without restricting the rights of anglophones and other minorities?

Parizeau: I have no intention of limiting minority rights. What I want are clear rules for

Others would not accept those powers?

Parizeau: The federal government has done that quite often in the past when Quebec has used its political weight. There are a number of things that I want to recover from Ottawa rather quickly, because the problems are urgent.

Maclean's: What do you make of the fact that there are now many more Conservatives outside of Quebec who seem to be willing to let Quebec go its own way?

Parizeau: It is striking. But, let's face it, we have been it together for ages. Some people felt that Pierre Elliott Trudeau found a way for English and French Canada to live in harmony. A lot of people tried very hard to follow the path advocated by Trudeau. Many English-Canadians in other provinces saw their kids in French-immersion classes. It was impressive. But it didn't work. The opposition between the two communities remained strong. Soon, some people started saying to Quebecers, "Look, you're a pain in the neck." And I think they were right. As far as Canada is concerned, Quebec is a pain in the neck. We cannot do our things without forcing the rest of Canada to do things differently.

Maclean's: If federalism is so unsatisfactory, then how has Quebec managed to achieve all that it has accomplished politically and economically in the past 20 years?

Parizeau: A lot of what has been achieved has been by waging a perpetual battle with the federal government. We did it by winning those battles.

Maclean's: The deadline for rebuying the Meech Lake constitutional accord expires next June, and has previous how do you intend to oppose it without changing? What are the consequences of failure?

Parizeau: The death of Meech Lake would put the prime minister of Quebec in an impossible situation. Nobody, including Robert Bourassa when he was premier between 1977 and 1978, ever asked Ottawa for as little as constitutional talks. Now, Bourassa is going to be out packing. He will look ridiculous.

Maclean's: Would Meech Lake's failure increase the possibility of your separatist option?

Parizeau: Yes. We are then the obvious alternative. □



Parizeau: "We have been it together for ages"

life in a society that wants to reject the rights of anglophones over time schools should be restricted? The answer is no. We would emphasize a Quebec that functions in French but has respect for minority rights.

Maclean's: You would like the Quebec government to have more power over employment and job-training policies, regional development and other matters. Is it realistic to think that



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COVER

THE COLOR OF MONEY

A MIX OF PROFITS AND NATIONALISM

It is nearly 20 years since the Royal Trust Corp.—just days before the April 20, 1970, Quebec election—sent two convoys of armored Bank's trucks to trans-

fer dollars in accounts from Montreal to Toronto. This fueled the stir surrounding the Quebec's rising tide of separatism. Foreign-born businessmen and Quebec's violence were driving business, dominated by the English, out of the province. The message passed through in the wake of the Nov. 15, 1976, election that brought the separatist Parti Québécois to power—efforts to Ottawa to announce that 113 federally incorporated companies had moved their head offices out of Quebec during the first six months of the 10th reign. Coupled with an already weak provincial economy, these departures gave credibility to a then-neglected view that the province could not survive on its own. Even moved separatist and University of Montreal economics professor François Vallières said at the time: "I felt very disappointed. I wouldn't get my money in Quebec either."

Stronger: Now, on the brink of yet another election on Sept. 25, the climate has changed dramatically. Quebec business is dominated by aggressive (francophone) entrepreneurs. Supported by interventionist staff ministries in and Liberal governments, the business community has prospered and expanded. Indeed, its highly successful leaders have long since surpassed the need for provincial government support. Still, they recognize that separatism remains a powerful force in the province. Notes Marcel Dutil, 67, chairman of St-Germain-de-Bonsecours gas and steel conglomerate Canam Mining Group Inc.: "There is no doubt in my mind that separation is still a possibility." But now, Dutil and many other francophone businessmen say the Quebec would continue to prosper even in an independent nation.

Indeed, ex-Lesieur Jacques Parizeau is capitalizing on Quebec's economic strength last week when he told 7,000 cheering supporters at a Montreal rally that the province would be better off as its own because "Quebec is better." "To those who are hanging on to something solid, I say, 'Open your eyes.'" And as a series of encounters with Montreal's name of Quebec's new business leaders and that Quebec's future in Canada depends in a large extent on decisions by francophones, the criticism of the French Lake

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Dutil: no doubt that separation is still a possibility

constitutional accord, which would renege Quebec as a "distinct society," and success in reducing the federal budget deficit. **Break:** Meanwhile, the record of companies Quebec's achievement in companies Quebec-owned and -operated businesses are flourishing around the world, dominating their competition. The unadorned Power Corp.—with interests in finance and communications,

among other areas—and Transpacific giant Bombardier Inc. are two of the best known. Dutil's lesser-known Canam Mining has become both a major natural gas distributor and North America's second-largest producer of steel pipes, with plants in Canada, the United States and Europe. In 20 years, Bernard Lussier, 53, an engineering school dropout, has expanded Cosco Group from a single, dilapidated paper mill at Knapsey Falls, 90 km southeast of Montreal, into an international pulp-and-paper giant—while adding himself one of the richest men in Canada. The Lussier Group Corp., led by chairman Claude Contogues, 66, controls financial assets worth \$14.9 billion in Canada, the United States, Europe, Hong Kong and the Bahamas. And Quebecor Inc., guided by Pierre Filadeau, 64, has become Canada's largest volume printer and one of the country's largest publishers.

Good: The success of these businessmen reflects a striking change in the perceptions of francophone Quebecers. Indeed, Claude's Lesieur notes that, for most French Canadian 25 years ago, "being business was not the right thing to do. You had to be a doctor, a lawyer or a priest."

As recently as 1976, the lack of francophone business experience and a sluggish provincial economy led a Bank of America spokesman to say, "The people of the province make that full independence is not economically feasible." Since then, such pessimism has clearly diminished. Indeed, Canam Mining's Dutil said that, now, "nobody in Quebec has doubts they can manage an independent Quebec."

There are several explanations for the dramatic reversal in attitude. André Samuël, a former priest, Quebec mayor and current and now chairman of his own investment consulting firm, links the new outlook to the decline in the influence of the Roman Catholic Church in the province. "Good is now an accepted way of behaving in Quebec, as it is elsewhere," he observed. For his part, Québec's Filadeau described the changes among Quebecers as a more positive light and articulated them in large part to former 10th president René Lévesque. Noted

the publisher of *Le Journal de Montréal*, Montreal Daily News and *The Winnipeg Sun*: "He created a movement, an economic, French by having people believe in themselves."

Wherever the influence, young Quebecers began entering business schools in unprecedented numbers in the early 1980s, flooding the province with well-trained entrepreneurs. But equally important have been the incentives

of a succession of provincial governments with nationalist economic agendas. One crucial development took place before the beginning of nationalist warfare—the establishment in 1990 of the *Caisse de dépôt et placement du Québec*, an agency responsible for administering Quebec's extensive savings and investing in the provincial economy. Liberal Jean Lesage was premier at the time, but the chief

of Canada's French companies, *Consolidated Leasing*, for one, added, "Our purpose is the United States. That's our market." Indeed, Montreal consultant *Saurier* asserts that Quebec firms export their products to the United States after an average of two to three years of operation, compared with nine to 10 years for Ontario-based companies. The reason, says *Saurier*, is that other Canadians often view

the potential failure of *Merch Lake* as not the only threat to *Interlakes*. Said Dault "Others need to solve its deficit problem, too. I will not be surprised if you have a breakdown in *Merch Lake* and you continue to have a \$30-billion to \$50-billion deficit—that at the next provincial election another important party will form. And they will have a good chance of being elected."



Péladeau (left), Contogourp (below): close ties to the United States and a call for Ottawa to cut the deficit

architect of the new agency was *Parsons Brinckerhoff*, who was an economic adviser to Lesage. At first, the *Caisse* played a conservative role, supporting fledgling companies like the *Provinc* grocery chain, but investing primarily in Quebec government bonds. In 1990, however, *Parsons* by then became minister in *Lib* minister's 14th government, brought in his broad and aware Quebec civil servant *Jean Lesage* to head the organization, and the *Caisse* began investing heavily in Quebec businesses. It backed several of Quebec's growing clans of enterprise men, including the *Le* and *Lesage*.

Further last month, the *Caisse*—which over the years has issued a capital fund of \$32 billion—contracted that creation with its \$1.5-billion joint venture with *Marriott* shopping company *Savoy* Inc. of the Montreal-based *Steinberg* grocery chain. In fact, the very size and financial clout of the *Caisse* worry some Quebec business leaders. *Sauvage* former *Senior Principal* *Canadian* president *Marcel Chab*, now an adviser to Prime Minister *Brian Mulroney*, "The *Caisse* is too big. I have always thought it should be divided into two or three."

Quebec's new high rollers have become worried their province, but few look to the rest

of Quebec as a foreign culture, but Americans, he will see Quebecers simply "as businessmen."

But international commerce has given some Quebec businessmen a renewed pride in their Canadian citizenship. Said Dault "You don't want to become an American. You are proud to be a Canadian." But he added that such pride is likely to last only "as long as the rest of Canada wants you." Many francophones are still uncomfortable in English-speaking Canadian business circles. Dault, for example, said that, three years ago, he and two associates were stranded at the rim at the *Toronto Island Airport*. They asked a local businessman for a ride, he said, only to be told "Go back to Quebec. We don't need you."

Dault and other Quebec executives also told *Maclean's* that if the *Merch Lake* accord is not crafted, they and many other Quebecers would take the rejection to mean that they are not welcome in Canada. *Consolidated Leasing* would further, seeing the failure to bring Quebec into the *Consolidation* as a threat to the French language. Said *Lesage*: "If there is a movement against protection of our language, then I might change my mind and say, 'Yes, there is no other solution than to separate!'"

For the most part, however, the nationalism of Quebec's business elite stops at the door of the boardroom. When asked whether they would sell any of their holdings to either *Amway* or *Canadian* "partners," most executives replied, "Business is business." Notes *Saurier*: "As long as there is no money on the table, everybody can wrap themselves in the flag and let her own choosing." Still, publisher *Windsor* echoed the views of several business men: "The strategy Quebec is, the stronger Canada will be." And *Lesage's* *Contogourp* agreed that economic integration with the United States by both French- and English-Canadian companies could help hold Canada together. Said *Contogourp*: "As a rule, you prove people don't want to risk the lead."

Wants Still, the question of independence is far from closed for Quebec's newly powerful business elite. But now, if the no more to us and we're election, it is doubtful that new traditions of unionism would hold down the highway in *Toronto*. What has changed, according to men like Dault, Contogourp and Lesage, is that, for the first time, Quebec has the economic muscle to back a drive for independence—and they say that it is up to the rest of the country to decide whether the province remains within Confederation. Either way, they agree to be determined that the outcome will not impede the impressive growth of their own corporate bottom lines—or the province's expanding wealth.

GREG W. TAYLOR is in Montreal

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persons are a great luxury for them."

The refugees were also awarded with offers of employment. Posen's daily newspaper published two special issues containing details of 8,000 job vacancies. And the federal authorities gave each refugee \$30 in spending money on arrival. After signing up for such social benefits as unemployment insurance, health care and pensions to which, like West German citizenship, they were automatically entitled, the refugees received another \$120 each as start-up money.

Frederik Wilhelms Bloeg, administrator of a refugee camp near Posen, welcomed the arrival of the skilled and eager workforce. A Bonn government survey showed that more than 80 per cent of the refugees were under 40 and that, among the workers, a similar proportion were highly skilled. Declined Bloeg: "We need them badly. They afford a good education and a good attitude toward work. They're very motivated people."

In fact, West Germany, despite its booming economy, has more than two million unemployed. And when the euphoria subsided, some West Germans may find that their complaints from the East are too highly motivated. A recent survey showed that although West Germans expect to put in a 36-hour week, those from the East are willing to work 60 to 70 hours and to accept lower wages. Said Volker Bouge, a sociology professor at Wuppertal University: "That makes me highly motivated and not from above." And as a strictly practical level, a potential employer hopes to have a truck driver from among the refugees at Posen and that, if he found one, he would fire the man currently working for him because "he won't waste as Friday afternoon."

The arrival of 15,000 refugees in one week

was a headliner-carrying demonstration of East German disarray, but the defections were not a new phenomenon. East Germans have been voting with their feet since 1948. Twelve million of them fled to the West in the 15 years



up to 1961, when the Communists put back the Berlin Wall to stop the hemorrhage.

Now, with the Hungarian government showing no inclination to close its door to the West, 100,000 East Germans are reportedly making the crossing this year. Added to those, Bonn expects to receive 200,000 others from other Eastern European countries in the same period. But even though its economy is surging, West Germany may not be able to handle such a large influx. Last week, the German-Canadian Congress appealed to Ottawa to allow 5,000 of the East Germans to move to Canada as refugees. But Immigration Minister Barbara McDougall

pointed out that because East Germans are automatically entitled to West German citizenship, they could not qualify as refugees.

Still, the problem faced here was unambiguous compared with the anger and embarrassment of the aged, orthodox Communist leadership in West Berlin. Already reduced to indifference by the prolonged silence of 77-year-old leader Erich Honecker, they vented their frustration by accusing Budapest of violating a 20-year-old agreement not to provide a conduit to the West. East German news media even accused the reluctant Budapest government of accepting bribes from Bonn, to which Hungarian Foreign Minister Gyula Hirtz responded that the accusation was "so low as to be hardly conceivable." Meanwhile, Moscow sat aside apart from the argument. Hungary had taken "an unexpected and very unusual step," said Foreign Ministry spokesman Gennady Gerasimov.

He added, "It is only a matter of some concern to us [Bert] it does not affect us directly."

That last key response was clearly a reflection of Soviet President Mikhail Gorbachev's policy of nonintervention in the affairs of Eastern bloc neighbors, a policy that recently has allowed Poland to establish its first non-Communist government since the end of the Second World War. It was also, perhaps, another sign of the decline of the Soviet empire.

JOHN BIERMAN with **ANDREW FINKELSTEIN** in Posen, **PETER LEWIS** in Posen and **CAROL GILLIGAN** in Munich

SO DISTINCTIVE. SO BEEFEATER.



A WARNING TO GORBACHEV

There seemed to be no end to the historic drama touched off by Soviet President Mikhail Gorbachev's opening of the iron curtain of power. While thousands of East Germans took advantage of freedom throughout the weekend to find sanctuary in the West, last week, a prominent Soviet politician born-reared across the United States, Member of parliament Boris Yeltsin declared that people should be allowed to live where they please, shirked the Communist system—and convinced Gorbachev for moving on slowly on reform. Moving through his necessary time, Yeltsin's fervent pace and outspokenness led a number of the audience who heard him speak at Baltimore's Johns Hopkins University to wonder aloud if upstart America had become infused with "Borismania."

Yeltsin, 56—the most outspoken independent to be elected to the Congress of People's Deputies, the Soviet parliament—

must for 15 minutes on Sept. 12 with President George Bush and for 40 minutes with Secretary of State James Baker. After his meeting with Bush, Yeltsin said that he had proposed 10 ways in which the United States could help

Soviet reform—but he declined to say what they were. A state department spokesman declined later that evening U.S. assistance was one point on Yeltsin's agenda.

The Bush administration clearly did not want Moscow to underestimate the meeting. While House speaker James Martin Jr. praised the meeting, the United States supported Gorbachev's policy of peace and did not wish to provide a "platform for dissent."

Yeltsin had given Bush reasons to be concerned: the previous day the Siberian-born miner—elected as Moscow Government party chief in 1989 for combating party corruption—told a television interviewer in New York City that Gorbachev had "not more than one year" to achieve domestic reforms

before he was "very difficult times."

But Gorbachev was only one of Yeltsin's targets. One in New York, he inveighed at the variety of food in a Korean grocery and said that it would be a long time before Soviet shoppers were offered such a wide choice. "The selection is so bad it's not going to work," he said, pointing out while walking through Central Park, seeing his friend and drinking Pepsi-Cola. Later, circling in a helicopter, he applauded the Statue of Liberty. And in Philadelphia, he said that, although the Soviet Union did not have enough paper for textbooks, "there is always enough to print the speeches of [Nikolai] Ligachev"—a Kremlin hard-liner and political opponent. Then Yeltsin set off for Moscow, Chicago and Indianapolis, having officials in Washington trying to regain their composure.

RAE CORRELL with correspondent **Agnes**



Yeltsin: Borismania



Police clashing with demonstrators over a racial killing: a climate of hatred

The race for New York

Edward Koch loses a bid for a new term

After a hard-fought campaign in an atmosphere of racial tensions, the four former opponents raised their inked hands in a show of unity that served both as a rallying cry for Democratic supporters and a warning to the opposition. On Sept. 13, the evening after Manhattan Borough president David Dinkins won the Democratic nomination for mayor of New York City, he appeared with three-term Mayor Edward Koch, city comptroller Harrison Goldstein and businessman Richard Ravitch at a rally on the steps of City Hall. Dinkins, 62, hoping to become New York's first black mayor, clearly will need their support.

In the Nov. 7 general election, Dinkins faces tough opposition from Republican nominee Rudolph Giuliani, a former federal prosecutor with a reputation as a crime-buster. Dinkins, meant dropping from his forehead, asked the large crowd of supporters, "Have we struggled and struggled to survive nine years of reactionary Republican government in Washington just to hand over our city to the very same forces? No. New York will not become a Republican backwater in 1993."

With that, Dinkins prepared for what promises to be a bitterly contested six-week race to steer the country's largest city into the 1990s. For Koch, the election defeat marked the end of 12 tumultuous years in office, during which

he wrenched the city from economic ruin, but was never able to lift the weight of social problems associated with drugs, racial violence and homelessness. With an estimated 30,000 homeless, 200,000 heroin addicts and 250,000 cocaine, crack and other drug smokers out of a population of 5.4 million, the storm of crime and painstrains dominated the Democratic race. And the killing on Aug. 22 of a 16-year-old black, Tunisian-Herakles, in the largely Italian, working-class Brooklyn neighborhood of Bensonhurst by a gang of white teenagers heightened racial tensions.

Dinkins won the nomination with 54 per cent of the vote compared with Koch's 43 per cent. Ravitch and Goldstein struggled far behind with four per cent and three per cent respectively of the 1,060,909 votes cast. On the same day, Dinkins' community lead his only rival, Ronald Lauder, vice of the country's giant Bottle Lauder, won 67 per cent of the 112,685 Republican votes cast.

Dinkins' show for heading



But it was Dinkins, who was an estimated 83 per cent of the black vote and captured many disaffected white former Koch supporters, who made the most impressive showing. He is the first recorded black majority candidate in the nation to win as much as 20 per cent of the white vote—including 36 per cent of the Jewish vote. If those trends hold in the November election, Dinkins could well pull enough of the critical white vote to become New York's next mayor.

The race to Dinkins' victory was pitted with doublets that a self-proclaimed black, who ran a cautious and unspiced campaign, could arrest the controversial Koch, a Jew who seemed to personify the liberal spirit of many New Yorkers. Throughout the campaign, Dinkins was harassed by accusations that his campaign was discreditable, that his speeches lacked spontaneity and that he delivered them in a boring monotone.

Even on the day that the candidates put their fate into the hands of field workers assigned to canvass the vote, Dinkins' campaign appeared hollow. Stacks of bags, push-button telephones lay around on a table in one of Dinkins' phone banks in a local union office in lower Manhattan, giving the appearance of a deserted operation.

Dinkins himself appeared lapsed when he caused the \$300 p.m. ferry that was supposed to carry him to his victory party from Staten Island, where he had been covering commuters pouring out of the boat that carries 80,000 people each day to lower Manhattan. But by the end of the campaign, the worst marks against Dinkins was the fact that he had failed to file his income tax returns from 1989 to 1992.

1992. He quickly denied that cover by admitting that he was guilty of procrastination—out on events—and said that he had subsequently paid the back taxes.

In the end, he emerged as a gritty man who would make every effort to heal the wounds of a recently bruised city. Said Dinkins in his victory speech: "You voted our hopes and our fears, and in so doing you sent something profound today about the soul and character of this town." Added New York State Democratic Gov. Mario Cuomo: "Victory was necessary. Now, competence has to win."

That competence will be put to the test as Dinkins tries to shake his way as a quiet but

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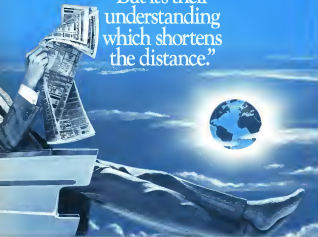


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WORLD

viditor sat live on his girdle to be the "toughest mayor on crime" New York has ever seen." The son of a haberdashery owner and a pianist, he spent his childhood living in Trenton, N.J., and Harlem after his parents divorced when he was 6. Later, he was among the first blacks to be accepted by the Marines during the Second World War.

A graduate of Brooklyn Law School, DeLores practiced law before going into city politics, where he has held a number of positions over the past 24 years. As Manhattan borough president since 1986, he earned a reputation as a friend of labor who took strong stands against homelessness and in favor of extended education and prenatal health care. DeLores is married to the former Joyce Runnells, the daughter of a former Harlem politician. They have two children—David Jr., 38, and Dana Boggard, 32.

The usually ebullient DeLores is not a black activist politician in the style of his supporter, former presidential candidate Jesse Jackson. But he openly criticized Koch last month for his treatment of blacks, saying, "The tone and climate of this city does not sit in City Hall." And during a demonstration in December over Hawkins' death, DeLores and other blacks welcomed the taunts of white bystanders who chanted "Sligger, go home" and mockingly waved watermelons in the air.

For his part, the maverick Koch, 64, who in the past appealed to voters with his flamboyant style and stoniest speech, fought to save his 36-year political career by promising to toss down his rhetoric. And, during the last days

But the strength of his personality and the sheer-force manner that led him to regularly ask councilmembers at his favorite subway stop, "How'm I doin'?" were not enough to earn him a fourth term. Indeed, the memory of the post-



Giuliani: crime and punishment

four years, during which Koch suffered a humiliating rout of political scandals and watched a once-booming economy fade, may obscure his earlier achievements and his place in history as a reformer. The bald and over-weight Koch, a confirmed bachelor, now serves at his apartment in City Hall adjacent for

Koch's early years were marked by his reputation as a tough. He earned a reputation as a crime manager for championing the city's housing rehabilitation program, promoting a tax increase to hire more police for the city's dangerous streets and creating the Tactical Narcotics Team to fight drug abuse. Putting a brave face on his defeat last week, Koch told reporters, "I did as though a banner has been lifted from my shoulders."

Republican Giuliani, with a reputation as a tough and successful federal prosecutor, once proposed hard to silence Koch's murkiness, and he took strong stands against crime and drugs. Giuliani, 45, had helped prosecute some of Koch's political colleagues along with Wall Street insider-trader Ivan Boesky and Mafia leaders. But as early as in the primary polls soon thereafter he returned to his early anti-short-term stand in city behind progressive supporters. Later, he stumbled through his campaign speeches and was mercilessly lampooned by New York's may takeoffs after a gust of wind dislodged the carefully carried hat across his bedding pole.

As well, Giuliani's tough reputation from Lauder's tenure spent more than \$15 million of his family's cosmetics fortune on the campaign—more than any other candidate. Much of it paid for black TV advertisements attacking Giuliani as a liberal hypocrite. Campaigning with him, Lauder continually told audiences in senior's homes and bingo halls: "I made the ladies beautiful, and my son would like to make New York beautiful." Many voters, however, appeared more interested in restoring cosmetics than in listening how Lauder would fight crime and violence.

Despite his primary defeat, Lauder vowed to run in the May 3 election as the candidate of New York's Conservative party. But Giuliani's victory in November will clearly be DeLores. And it will be an uphill battle for Giuliani, who hopes to become the city's first Republican mayor since John Lindsay won the 1965 election. Historically, New York's Democrats, who outnumber Republicans by 6 to 1, have easily elected one of their own.

Even as DeLores urged the crowd from his brow at the city only last week, Giuliani turned up the temperature of his attack. Criticizing DeLores as a "black-hole politician" with little to separate him from what he called the corrupt leaders of the Koch administration, he lashed out for the missing battle. But although crime, corruption and drugs will be major issues in the coming campaign, the issue of race may well divide who will become New York's next mayor.

HELENE MACKENZIE in New York City



DeLores with Koch after the primary, a call for Democratic unity

corruption. As well, according to testimony by former councilmen before a state commission, his programs to encourage minorities to enter government departments mutated into a machine to promote his political allies. In addition, Koch had to provide once over the city's largest social crisis during which the number of homeless, AIDS victims and drug users soared.

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WORLD

SOUTH AFRICA

An exceptional protest

Anti-apartheid groups stage a united march

They danced, they chanted, and they sang freedom songs. A spirit of jubilation swept the largely black crowd of more than 20,000 protesters as they marched peacefully through the streets of Cape Town last week, with scarcely a policeman in sight—a rarity on such occasions. Hundreds of whites, including Cape Town's own mayor, Gertie Oliver, joined black and Coloured (mixed-race) South Africans for the country's largest mass protest since Pretoria imposed emergency rule and outlawed political demonstrations in 1986. Church leaders had called the march to protest police violence during the national elections on

Conservative Party immediately denounced de Klerk's election as a "capitulation" to anti-apartheid violence. But, at week's end, another 12,000 protesters in Johannesburg and Pretoria, citing the Cape Town example, staged their own peaceful demonstrations to protest election-night violence—and men with no jobs remained.

De Klerk may have wanted to avoid violent crackdowns after his election pledge to negotiate a greater role for blacks in national affairs. And he was clearly concerned that further police violence would threaten his hopes of steering anti-apartheid tensions against South



Tutu (left), Oliver and Boswell leading the demonstration, averting a victory.

Sept. 4, when security forces allegedly killed as many as 29 anti-apartheid protesters. Frederik de Klerk, whose reform-minded National Party won a slim majority in the all-white House of Assembly, then defied his own government's emergency laws to grant permission for the march. Swedens' Archbishop Archbishop Desmond Tutu, who helped organize the protest, "We have scored a great victory for justice and peace."

De Klerk, who was formally elected president by a vote in parliament last week, did not explain his extraordinary decision to allow the protest to proceed. Over the past two months anti-apartheid demonstrators, waging a campaign of civil disobedience to protest the rule of the country's 25-million-member black majority from national elections, regularly faced riot police using guns, whips and tear gas. Anger against the right-wing opposition

Alien. One Western diplomat, who witnessed the demonstration, and who asked not to be identified, said that the protest march "was a litmus test for the new government, and it was very important that there was no state repression." He added, "It feels like the start of a new era."

One day after the Cape Town march, neighboring Swaziland held an equally extraordinary rally. Sam Nujoma, president of the South West African People's Organization (SWAPO), which has fought a 33-year battle war against South African troops occupying his country, was greeted by thousands of supporters as he arrived at the airport in the Namibian capital of Windhoek after almost three decades in exile. Under the terms of a wide-ranging southern African peace agreement signed last December, Namibia will elect a national assembly in November. As well, South Africa has indicated

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WORLD

as to withdraw its troops from Namibia next year. SWAPO is widely expected to win the election.

However, the leftist group suffered a serious blow to its morale two days before Namibia's return when a senior military official, white lawyer Anton Lubinski, was gunned down in front of his home in Windhoek. A shabby group of white, right-wing extremists known as the Wit Waius (White Wolves) claimed responsibility. Still, Hilda Thule, an official of South Africa's anti-apartheid United Democratic Front, said that the Namibian independence process was an acquisition to the forces for change at home. Declared Dink: "It's Namibia today, but tomorrow it will be South Africa."

In fact, police violence on election night appears to have provided a turning point in Frelimo's treatment of the anti-apartheid campaign. Even a pro-government newspaper, *Revil* (Jezebel), last week called for a full accounting of the violence on polling day. And the most senior Coloured officer on the South African police force, Col. John Mawani, said that riot squads should act more responsibly.

When Tito and Rev. Allan Boesak, the president of the World Alliance of Reformed Churches, first called for last week's demonstration in Cape Town, police vowed to heavily stop the march. But the night before the protest, the Church purchased a profound silence: the opposition to protesters to march peacefully but ordered police not to interfere. "The door to a new South Africa is open," de Klerk told reporters in his most conciliatory speech since the election. "It is not necessary to batter it down." Meanwhile, Law and Order Minister Adriaan Vlok announced that he had appointed a senior police officer to investigate allegations of police misconduct on election night. "If powers have been exceeded," de Klerk said, "remedial steps will be taken." In Cape Town last week, in protesters set off from St. George's Anglican Cathedral and marched 20 blocks down Adderley Street within blocks of the national parliament, only a few unprovoked traffic police cleared cars from the street while a handful of plainclothes officers maintained a low profile.

And when the protesters squeezed into city hall at the end of the 24-hour demonstration, Tito declared that the peaceful march proved that police had provided violent-dealing after anti-apartheid demonstrations. Said Tito: "We de Klerk, you wanted us to show you that we can be dignified and powerful. Well, we have done that." Cape Town Mayor Oliver, who became an instant celebrity with his pledge to join the demonstration, was greeted by a roar of applause when he declared, "Today, Cape Town has won." At week's end, anti-apartheid protesters survived their usual victory. But, signaling that the war against racial segregation was far from won, they also vowed to continue their mass defiance campaign.

MARY McMEIKEN with CHRIS BRASMAN in Cape Town

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Photo by [unreadable]

Campeau brings a Toronto directors' meeting; elaborate financing plans

BUSINESS

CAMPEAU'S DAY OF RECKONING

It was one of the most important days in Robert Campeau's long and tumultuous career. While the Toronto developer's company, Campeau Corp., faced a life-and-death debt crisis, Campeau, based in his penthouse, lay flat on his back, unable to move from his downtown Toronto office building and dilly-daddied cars as the 30 km traffic as he crossed the city. On the morning, Campeau desperately needed to appear agile and confident as he headed into a meeting with his creditors. If the representatives from some of the most powerful banks in the United States failed to accept his refinancing plan, he would be not admit and lose his vast chain of companies, piece by piece. Then, on Friday evening Sept. 15, Toronto's millionaire Reichmanns finally bought the embattled tycoon a limited reprieve when they agreed to lend him \$300 million. But the price was high.

THE REICHMANNS STEP IN TO RESCUE THE EMBATTLED TYCOON'S DEBT-TROUBLED U.S. RETAILING EMPIRE

Campeau was forced to yield control of his firm to a management team that will oversee its restructuring. None would be as the Canadian who bought Manhattan's famous Bloomingdale's

department store, the Saksbury. Out-laws Campeau maneuvered last week that the board of Campeau Corp. had approved the sale of the glitzy retail shop. At the same time, Campeau, 66, was celebrated in a wedding battle to retain control of the rest of his U.S. retail empire. And although Campeau received the loan from the Reichmanns family, owners of Olympia & York Developments Ltd., other Campeau creditors could still write for money, leaving them free to claim large chunks of Campeau's empire. Although the specific details surrounding the rescue package were not released, leading retail analysts predicted that Campeau may lose up to 30 per cent of the company to the Reichmanns, receiving their share to about 35 per cent and dropping Campeau's to about 44 per cent. And while all of Campeau's major creditors had yet to ratify the change, a statement issued by Campeau Corp. on Friday night said that the new management team would "take charge" of the firm's restructuring. The colorful tycoon's grip on the empire that he founded had slipped.

Campeau cut last into the week with his bankers but what he desperately needed was breathing space—enough time to sell Bloomingdale's, reportedly pay about \$60 million on an outstanding \$440-million loan and restock his other retail outlets for the critical holiday season. The Reichmanns may have allowed him to accomplish all three goals, but the government community still seemed dubious. Said Jean Macquart, a retail analyst with the securities firm of Josephthal & Co. Inc. in New York City: "Strong Christmas sales will not cure Campeau's financial woes. You might

convince Campeau to be selling."

And that was a feeling shared by some members of Campeau's own family last week. Campeau has been locked in an emotional week battle with his son, Jacques Campeau, 36, over who has the voting rights in a block of Campeau Corp. shares that are held in trust. And in the wake of shares in Campeau Corp. floated on Sept. 13 to \$13.50 from their all-time high of \$22.35 before trading was halted on the Toronto Stock Exchange later the same day, Jacques Campeau tried to sell the shares, worth roughly \$44 million in their peak. But, on Sept. 15, the Ontario Superior Court ruled against releasing the stock. Said Jacques Campeau: "If I had been able to sell these shares last week, I would have done so in order to protect my interests."

Campeau has suffered more. Robert Campeau has still come a long way from his modest Saksbury roots. His father, Joseph, sold houses for a living in Saksbury until he bought a used Chevrolet and taught himself auto mechanics, a skill he passed on to his son. Robert left school after Grade 5 because, at age 15, a fire-wrecked and later a garage mechanic at the local retail store and smoking firm from Ltd. He later worked at a munitions plant in Cornwall, Ont., during the Second World War, opened a confectionery store and later moved to Galtville, Que., to become a nightshift at the Canadian International Paper mill. Campeau did not begin his career as a builder in Ottawa until 1948, when he erected his own home in the suburb's capital and quickly sold it for a profit. He eventually put up about 20,000 houses in Ottawa, as well as 40 per cent of the city's office space.

And last week's problems were not several years' last taste of defeat. He lost several oil-related and mostly followed takeover bids. His most painful setback came in 1980, when he tried to buy Royal Trust and Ltd. of Toronto. That bid, in what many analysts and

accounted to an attempt by Toronto's business establishment to block Campeau, was stopped after a group of Bay Street businessmen bought large blocks of Royal Trust stock. The move kept control of Royal Trust out of Campeau's hands and effectively stopped what was seen as his march on Canada's corporate elite.

Following his staging defeat in the Royal Trust takeover bid, Campeau said that the Toronto establishment simply did not like his style. But in the United States, Campeau sold it. It's totally different. There, the market governs the game. And last week, the market was being extremely harsh on Campeau. In a worst-case scenario, Campeau could still fail to pay back the \$461.8-million loan to three U.S. securities firms by Jan. 31, 1990, and trigger the complete bankruptcy of his empire. He was badly hurt by last week's events, and the loss of his entire empire would be the ultimate defeat for Campeau, who only began acquiring his American-based billion-dollar retail empire in 1984. In October of that year, he shocked the financial community by paying \$4.9 billion for New York-based Allied Department Stores Corp. Little more than a year later, he made another surprise move, purchasing Canadian-based Federated Department Stores Inc. for \$2.1 billion. The money was borrowed, and ever since the take acquisition, Campeau has struggled to balance his huge debt against sluggish profits.

As part of his elaborate plan to finance the speculative acquisitions, Campeau used high-yield so-called junk bonds. Campeau Corp. issued the bonds, about \$1.38 billion worth, last fall, but investors bought only about \$650 million of the issue, and First Boston, Campeau's underwriter, has been forced to hold the remainder.

Campeau's troubles stem directly from disappointing sales results at Allied and Federated, which control such prominent retail chains as Jordan Marsh, Abraham & Straus, Barneys and the jewel of his now-dwindling

Albert Reichmanns and Campeau; other creditors could still veto the rescue



Business Notes

HEBREW DELAY

The \$2.3-billion Hebrew oil project has been postponed again by a year. New-England Energy Minister Ben Chisholm said that the earliest date that an agreement can be signed to commit the provincial and federal governments and a consortium led by Mobil Oil Canada Ltd. to development of the project is mid-1990.

COOKIES BATTLES BACK

Principal Corp. Ltd. founder Donald Carson has won John, former partner Kenneth Marks and former principal Kenneth Chisholm. Carson appeared in a provincial courtroom in Edmonton last week. They were there for the court to set a date for their trial on eight counts of misleading advertising under the federal Competition Act. Donald Carson said that they were arguing that the defendants' right to a fair trial under the Charter of Rights and Freedoms was violated by adverse publicity.

SHILLER PLEADS GUILTY

New York City law enforcement bank David Perlmutter, assistant bank, the world's leading underwriter of high-yield junk bonds, pleaded guilty to six counts of securities law violations and agreed to pay \$800.4 million in fines. Portions of the money will be used to fund George Bush's war against drug traffickers.

CHARGES AGAINST TD DROPPED

The U.S. Securities and Exchange Commission dropped charges of illegal securities trading against the Toronto-Dominion Bank in exchange for a promise that it will monitor its U.S. clearing operations more closely. The bank's New York City office acted as a clearing agent for a group of Panamanian charged with defrauding more than 100 U.S. stockholders.

AUSTRALIANS TAKE OVER MGM

MGM-UA Communications Co. accepted a \$2.3-billion takeover offer from United Australia Ltd. Qantas was forced to announce its bid after competitors controlled by Australian bank Roper's Market's bid \$2.1 billion for MGM market last week.

BANK RATE RISES

The Bank of Canada pruned ahead with its war on inflation, raising the bank rate to 12.47 per cent from 13.31 per cent. Although the increase was the largest since the spring, it was not enough to shift the 13.5 per cent prime lending rate banks charge their best customers. Bank of Canada governor John Crow has been keeping interest rates high to keep pressure on rising prices and wages.

erprise, the 17-story Bloomdale's chain, latest costs on the \$14.4-billion debt that he agreed to buy the stores in 1986 and 1988 left him depositing on strong sales performance to pay them off. But a slump particularly in the discount fair women's clothing, severely cut into his ability to service those debts.

And last week, Federated Stores reported a loss of \$346 million for the first six months of 1989, compared with \$202 million the year before. But, in the final analysis, Campos seemed to be the victim of his own aggressive financing schemes. Analysts say that, earlier in the year, he could have avoided the current crisis by placing a \$3.50-billion mortgage refinancing on his U.S. retail properties. That strategy, which his advisors recommended,

was disowned of the respected Axa Tarkie Inc. and Borealis Brothers chains—despite earlier assurances that he would keep, and even expand, both of them.

Extra so, Campos was left with an \$11.4-billion debt on \$22.68 billion of assets. And in Campos Corp.'s annual meeting in Toronto last July, Campos was alternately angry and shivering as he tried to convince shareholders that the asset sales, plus a new \$1.44 billion mortgage financing, would leave him with enough revenues not only to run his business but to expand to U.S. But the critical vote on Campos' plan did not materialize, and, on Sept. 5, Campos shocked the retail world by announcing that he would recommend to his board that Bloomdale's be sold.

per cent of Campos's selling stock, while Campos's holdings would slide to about 64 per cent from 84 per cent. Conversely, about 21 per cent of Campos's selling stock is held by the public. Until now, the Bloomsdales have operated as silent partners. But, according to George Hartman, a retail analyst with the James Capel Inc. in Toronto, the Bloomsdales now have a far greater voice in decisions at Campos Corp.

But even with the Bloomsdales' support and the decision to sell Bloomdale's, Campos's long-term financing problems will likely remain. The sale of Bloomdale's may not raise enough money quickly enough to appease his investors/creditors. Last July, Campos estimated that the Bloomdale's chain was worth about \$3 billion. But analysts now say that the stores may fetch only \$1.3 billion. Said Kurt Harnau, publisher of the New York-based *Retail Marketing Report*: "Even with a bidding war, Mr. Campos's price of \$3 billion may be a little outrageous."

And even with the Bloomsdales' help, Campos may not be able to proceed with plans for shopping mall developments across the United States. Campos's master scheme was to team with Edward J. DeBerlto, an Ohio-based developer, to build shopping malls and locate his upscale stores in them. But one of Campos's major creditors is DeBerlto, who holds a \$276-million loan due two years from now. And DeBerlto could also sue the Bloomsdales for Campos's loan to Campos.

Clearly, Campos's greatest hope for survival now depends on his ability to raise more his creditors to give him more time. But Hartman said that the creditors may not be sympathetic because

they have had a difficult time tracking Campos Corp.'s financial status. As well, Campos's high turnover of financial officers has led to problems in sorting out which assets have already been offered as security and to whom. Hartman predicted that, only with both the sale of Bloomdale's and the assurance of the Bloomsdales' support, will lenders be persuaded to give Campos breathing space.

By the end of the week, Campos still seemed to be under siege. Campos Corp.'s offices were surrounded by unknown security guards who turned away unwelcome guests before they even entered the office-building elevators. And Campos's habit of copying his specifications over by helicopter went retail empire in the United States was on the verge of becoming a nightmare.

ANN WALMSLEY with LARRY BEACH in New York City and WILLIAM GORTNER in Washington



Campos and his wife, Rita, in front of their Toronto mansion, alternately angry and charming

would have enabled him to pay down the \$425-million mortgage loan to First Boston Corp., First Western Inc. and Citicorp. But Campos turned down the offer, choosing instead to proceed with a proposal to borrow \$3.6 million, using an unconventional method of mortgage financing that would have given Campos a lower interest rate in the early years of the loan than the banks had proposed.

That brazen behavior led to the resignation of his retired president James Roddy. And now, the gamble may have cost him a piece of his empire. Ultimately, if Campos fails to repay the \$481.6-million loan by next Jan. 31, his lenders could take control of about seven per cent of Federated stores—stock that is now sitting at a loss or near loss.

Since buying the two large retail chains, Campos had tried to hold off last week's financial crisis by steadily selling off assets. In fact, he had already sold 30 stores chain as part of a plan to streamline Allied and Federated. The

But it may be months before Campos can count on recovering the proceeds of the sale. Within three days of the announcement that Bloomdale's was on the auction block, three potential bidders expressed interest. But none immediately filed an offer. Marvin Trach, the chairman and chief executive officer of Bloomdale's, declared that he was working on a temporary buy-out together with a consortium of investors that could include designer Ralph Lauren. And analysts said that at least three other U.S. based corporations with retail interests would likely enter the bidding war.

The Bloomsdales deal could give Campos enough time to find a buyer and bring his debts under control. Under the tactics suggested by the Bloomsdales, Guyton & York's \$380-million loan is convertible into Campos stock. The conditions for that conversion remained undisclosed at week's end. But should the Bloomsdales exercise their right to convert the debt into stock, they would control about 25



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BUSINESS

Fighting the opposition

Michael Wilson defends the new sales tax

Since Finance Minister Michael Wilson introduced his proposal on Aug. 15 to legislate a new personal tax on almost every product and service in Canada, critics of the Goods and Services Tax (GST) have emerged from nearly every quarter—those who are small business. Although most economists have expressed agreement that the tax will ultimately expand the Canadian economy, Wilson now will have to convince ordinary Canadians that they are not being taxed unfairly. He opened his office last week's efforts to improve how the GST and other issues during a meeting of the magazine last week.

Maclean's: When do you expect interest rates to come down?
Wilson: I think it would be healthier for the economy to have lower interest rates than higher interest rates, but we know we have inflationary pressures. We know we have to deal with them. We know if we don't deal with them, we'll get back into the problems that we had in the late 1970s, which led directly to the huge recession of the early 1980s. You can be sure that as soon as we see that the case is right to ease up, we'll do so. **Maclean's:** The CTF has a huge and varied opposition. Is there enough of a consensus to pass acceptance for it?
Wilson: There are things that people just instinctively react against when there is a change in the tax system. I think the important thing for us to do is get the facts out. Make sure that people understand the different trade-offs that we have to accept in a proposal such as this.

Maclean's: What about the reformist element of the CTF?
Wilson: If Maclean's magazine and everybody else says there is going to be an inflationary impact and everybody takes up the inflationary impact, then you have to be that inflationary impact. We'll talk ourselves into it. But that is why I am trying very hard to make sure that people understand that that is not necessary. Our assessment is that those economic benefits will generate 35,000 new jobs in Year 1, 60,000 in Year 2. **Maclean's:** If you implement the GST as another sales tax?
Wilson: We have established a Jan. 1, 1991, implementation date and we've absolutely committed to that. We have said that the fundamental elements, the basic elements of the tax, are very firm. But there are a number

of elements that we might be able to improve upon to make it simpler for companies to comply with—and hence for people to comply with. We're quite open to suggestions there. **Maclean's:** Would you be prepared to look at a rate lower than nine per cent if enough of the provinces thought that would be preferable?



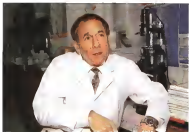
Wilson: people instinctively react against taxes

Wilson: I'd like to lower the rate tax, but I also want to have such things as a car credit, a middle-income rate and the housing rebate. I don't want to tax low-income people. So when you accept all that, and you don't want to increase the deficit, and those are all very firm elements in your thinking, then that translates into a very firm nine-per-cent rate. **Maclean's:** Can you guarantee that, when the inflation index becomes up, there is going to be a break for consumers?
Wilson: The car program says the price of the car will go down. We put in the paper in the April budget that the price of a \$15,000 car will go down about \$300. **Maclean's:** If you found that industry or

Finance said the rate as an increase in other prices, would you take action against that position?
Wilson: We have an office that we will be establishing in Consumer and Corporate Affairs that has a number of roles. We have empowered it to get information from companies to see whether they are passing through the savings. I think that organizations that are seen to be gouging the consumer will suffer. **Maclean's:** On another point, Pam Quilley, Ontario Leader Jacques Parizeau is saying that Ontario is broke and that Quebec would be better off on its own.
Wilson: A party leader who is absolutely and fundamentally committed to negotiations is going to use various arguments that he can, however stretched, to make his point. He's in an election campaign, and I would expect he would draw on those arguments to make his point. **Maclean's:** Does it disturb you that the degree of all of these changes that you are bringing in may be a more polarized Canada with a smaller middle class and perhaps a smaller top class?
Wilson: I think that the record doesn't support that. Let's look at the CTF. The direct result of the CTF is that there will be a shift in the burden of taxation that comes from people of low income, and obviously the balance shifts against people of upper income. People have done studies showing that upper-income people spend more money on services which will now be taxed than people in lower incomes, so that the CTF will go counter to the direction that you're suggesting that the country will go. We've also seen people on poverty under our administration. We've seen more people working. The youth unemployment rate has dropped seven percentage points since we came in. Since July 1, I think it's 57 per cent, have been below 10 per cent. So the record clearly contradicts what you have just said. **Maclean's:** That has not been the record as of yet.
Wilson: But this is Canada. I mean, let's give credit where credit is due. We can do things differently in Canada. You may get the blame on it, or the political opposition may not take the blame on it, but let's look at what has happened and what we're trying to do. Britain didn't get out with a big tax credit. Most other countries haven't done what we've done. They certainly haven't done it to the extent that we have. Canada, one of my disappointments to date is the debate on sales tax as a lack of recognition of that. We did it in Canada. They haven't done it in the United States and they haven't done it in Britain. And surely we should be taking credit for that as a country, not the government, but as a country, because it's a better tax system and all people here to participate in making that a fair tax system. □

Tempest in a test tube

Foreign bidders battle for a legendary laboratory



Kellier fears that crucial Canadian research jobs may be threatened

In the international scientific community, Canada's Connaught Laboratories holds a hallowed position. The University of Toronto established the organization as a private company in 1914, and it won fame, in 1922, that Frederick Banting and Charles Best discovered how to treat the previously fatal disease of diabetes with insulin. During the 1960s, the company helped America's Dr. Jonas Salk develop and produce the first injectable polio vaccine. In 1973, the university sold Connaught to CMC Life Sciences, a federal Crown corporation. In 1984, the Conservative government of Brian Mulroney began privatizing CMC Life Sciences, and over the next three years CMC Life sold off Connaught's various divisions. Last week, two foreign drug companies were competing to purchase the legendary laboratory, now called Connaught Biotechnology.

One is Canadian Monoclonal, a French government-controlled serum-maker with roots stretching back to the 18th-century chemist Louis Pasteur. The other is a Swiss-American partnership led by Ciba-Geigy Ltd., one of the world's largest drug conglomerates. The takeover threat, in a sector that employs one of Canada's most prominent scientists, led to emotional pleas from Canada's scientific community to keep Connaught firmly under Canadian control.

The struggle for control began last March, when Connaught's management agreed to merge with Monoclonal. Under the terms of that agreement, the French partners would emerge with a 50-per-cent controlling interest in the

one company, to be called Mirvex-Connaught. That agreement is scheduled to be presented to a meeting of Connaught shareholders for their approval on Sept. 28. It is an effort to provide a sale to foreign interests. U of T filed a lawsuit on July 15 to overturn the controversial deal.

Connaught executives say that they have spent years searching unsuccessfully for suitable Canadian investors willing to support the company's costly product and research and development plans. And last week, a sale to foreign interests appeared even more likely as Swiss-based Ciba-Geigy—which already owns 8.4 per cent of Connaught's shares—and its partner, California-based Chiron Corp., joined the fray by offering \$30 a share for the rest of the Connaught stock.

Concerns about the possibility of Connaught falling into foreign hands emerged early. James Kellier, vice-president of research at U of T, said that losing Connaught "would be a tragedy." Ontario Industry Minister Mike Ruskay said that he is opposed, but he added that a foreign takeover now seems inevitable because Connaught "needs massive infusions of capital that are not readily available in Canada."

To help defuse the debate, Connaught's managers said that no Canadian scientists will not change and that it will not reduce the number of Connaught employees currently engaged in research at its various laboratories. Monoclonal also said that Connaught will benefit from access to Mirvex's science and technology. As well, Monoclonal undertakes to spend at

least 15 per cent of Mirvex-Connaught sales revenues in research and development. But Kellier, for one, said that he is skeptical about Mirvex's undertakings without written guarantees. He added that research has been the backbone of Connaught and that, without it, "our very bright scientists and scholars would not get a chance to develop their skills in this very important area of research—genetics engineering, cell and molecular biology—and we would cease to be world players in this game."

As Connaught's shareholders waited for a chance to vote on the Mirvex offer at the Sept. 28 meeting, Monoclonal Canada, the federal agency responsible for privatizing foreign businesses, was examining the proposal. Since the Mulroney government formed the Privy Council Investment Review Agency, it has never turned down a foreign bid. But last week, an Investment Canada official said that Connaught was special. Added the official, who asked not to be named: "It is Canada's leading company in the vaccine business and produces world-class products. We would like to see that continue."

But U of T has already decided not to wait for Investment Canada's decision. In so doing, the university says that a foreign sale would violate an agreement that Connaught signed in 1973, when the university sold the company to the federal government's CMC Life Sciences. The suit says that, at the time, Connaught undertook to keep the company in Canadian hands. Kellier told Monoclonal that the agreement was signed because a foreign owner could "betray and dissipate" Connaught's research and development work in Canada. Connaught's managers, however, claim that there is nothing in the U of T agreement that will prevent the Mirvex merger with Connaught.

In addition to the lawsuit, the surprise bid from Ciba-Geigy jeopardized the Mirvex offer further. The \$30-a-share cash bid, worth up to \$184 million, seemed likely to beat out the French deal, which is based on a share exchange, if any sale is allowed. Connaught's stock jumped by \$5.68 to \$31.35 in heavy trading on the Toronto Stock Exchange in the two days following Ciba-Geigy's announcement. And analysts said that a bid war could drive share prices even higher. Like Mirvex, Ciba-Geigy pledged that Connaught would continue to develop and manufacture its products in Canada for years to come.

But despite its history of winning medical breakthroughs, analysts point out that Connaught is now a small company by world standards. Given the global trend toward consolidation of the entire pharmaceutical industry, they say that Connaught's impressive record is no longer enough; it requires large amounts of cash and strong partners to remain competitive. But just now, as the battle for control of the company unfolded, it seemed clear that Connaught's corporate objectives are in conflict with hopes of keeping it as an all-Canadian legend.

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The spectacular fall of a titan

BY PETER C. NEWMAN

There is a little-known quality about Robert Campeau's fall from grace—the classic tragedy of a gutsy entrepreneur reaching beyond his means to grasp the social legitimacy that had always eluded him. He took on the Canadian and American business establishments, refused to play by their rules, and they turned on him. "They're so stodgy, ridiculous and, anyway, their power is dwindling," Campeau once complained about Canada's business elite. Obsessed with proving himself to their skeptical eyes, he moved his acquisitive fist south of the border and, in a \$13 billion campaign, took over Allied and Federated, two major U.S. department store chains. In the process, he accumulated a debt load 25-per-cent larger than Don Doris's, got caught in his self-perpetuated liquidity squeeze and, last week, was forced to surrender control of his company.

His climb was as spectacular as his fall. One of 14 children of an underemployed Buickery auto mechanic, Campeau got school at 14 and, finding himself too young to get work, went to his God brother's baptismal party to get a job at age 16. He began to keep books, control his childhood overbearing, Claude, and married to Doris, where he became a successful developer. He eventually sold his company to Montreal's Paul Desmarès, followed his first serious girlfriend, Ili Chasik, far to German mania, the Larchmont, and tried to track his wife to her big-league. Campeau's most spectacular break with the Establishment was his last-late 1980 attempt to buy control of Royal Trust, then run by a crusty Establishment citizen named Kenneth White. "You say that that money talks," White warned Campeau, "I don't like you, and I'm going to sell up my friends and back up 90 per cent of the stock before you can turn around."

Which was exactly what he did. In an unprecedented show of solidarity, the masters of Canada's Establishment, led by Toronto-Dominion Bank chairman Dick Thomson and Noranda's AlZ Power, daggered through an over-

Out of all the sweat and tension, gutsy developer Robert Campeau probably only enjoyed one moment of unalloyed triumph

night syndicate that bought \$200 million of Royal Trust shares—at 54 below the Canadian offer—enough to hold the stranglehold. The move angered Campeau, which was based more on their dislike of the man rather than his fiscal delinquencies, grew so strong that being part of the anti-Campeau group became a status symbol. Then Lewis, a millionaire Edmonton developer, fed into the To-Rock coalition. For example, counted his acceptance into the Establishment's merry core from the moment he was invited to participate in the leapfrog-Royal-Trust holy crusade. For their shoddy tactics, White and one of his senior associates had their trading privilege revoked by the Ontario Securities Commission, but Campeau had been rescued.

Campeau went back to real estate promotions, mostly in the southern United States. But he never got over the massive slight he had suffered. If the Royal Trust tactics had been used in the United States, Campeau believed, "those people who breached security lines at the time would have gone to jail, and others would have paid large fines."

Campeau's own family troubles became public when he separately sued his son, Jacques, and his daughter, Rachelle, to restrain voting rights over the family trust he had set up in 1985 at a

misadventure measure. Either suitcases have not tallied for seven years, and Campeau has never met Jacques's wife or seen his preadolescent son.

Campeau's first major foray into the United States was his \$4.9-billion takeover of Allied Stores in 1986. That deal was done largely on debt, and to help swing it, he had to entice some of Allied's best assets, including Bloomingdale Brothers, the respected New York City men's wear store, which he sold to Britain's Marks & Spencer for \$605 million. Seventeen months later, he paid an inflated \$5.2 billion for Federated Department Stores. His original offer of \$50.75 per share (that would have inflated \$5.4 billion) was cut up to \$50.35 per share by a reluctant management and competing bidders. Not only did Campeau pay too much, but he had to mortgage most of his other assets and write the Bloomingdales into his own equity position to try and keep up with his burgeoning debts. Once again he had to off each plan properties as the first order women's wear chain, the Served Teller suits and now Bloomingdale's, the highly profitable day care centers for the New York rich.

As a result of all his maneuvering, the heads of both Federated and Allied have been placed on Moody's 3-3 category—which is just one step above "junk" "accepting bankruptcy" rating. The two companies lost \$367.5 million in the first six months of this year, as well as having to carry the burden of interest payments totaling \$389.4 million. One problem is that Campeau reneged on his pledge to Allied bondholders that he would not use public financing for the Federated purchase. Now, his troubles have shaken the foundations of the whole junk bond sector, which is no more than a market populated by last-ditch products.

Out of all that sweat and tension, not of being in mortgage, he used to go to the St. Louis Park, an ornate 19th-century French chateau, complete with dark-paneled library and the entire leather-bound works of Balzac. All the big hitters attended the party, including General Electric, Ford, Eastman, Bell, McDonald, Eas Pullman and God Wishes (then chairman of the boards of Montreal, Casanovese and Mena Serrano), Thomas Edison, Leo Koller—ask to mention Pierre Trépoite, Bill Davis and Kenneth Cardinal Carter, who famously tossed the grey-stout stomach, including its symmetrical and/or overexposed penis.

As the guests snatched wild mushrooms doped in raspberry vinegar (followed by roast suckling pig with porcine points), they were serenaded by Paul Duke, who had dropped in with his sister Lou Vegas dove band—singing, naturally. My My.

Because of worry of Campeau's properties still have sold underlying values, the Bloomingdales and other creditors have moved in to rescue Robert Campeau's tottering empire, reducing its founder to a minority position and eliminating him as a major player. He will not be missed.

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Sexual abandon

The condom is unpopular on the campus

In her small apartment, Karen Rothwell, a third-year University of Ottawa student, brings a couple of condoms to open room, served in a box that originally displayed golf balls. She says that if she intends to have sex with a man when she is dating, she tells him that he must wear one of the protective sheaths. But she complains that some men protest. Declares Rothwell, "They whine and say 'But you can't feel anything with a condom.'" Still, Rothwell says that her response is unswerving: "You can stay right now unless you put one of these on!" The 25-year-old theatre and English student said that she doubts whether she would be so strict about condoms if it were not for the support she receives from two women friends, who are more adamant than most about practicing safer sex. Said Rothwell: "We are a unique group."

In fact, Rothwell and her friends are a devoted minority among sexually active Canadian students. According to a federally funded survey of 6,811 first-year university and community college students, young adults are notoriously well-informed about sexually transmitted diseases, including AIDS, syphilis and gonorrhea. But that knowledge has evidently failed to make them more cautious. Most students surveyed said that they engaged in sex, but they acknowledged that they are reckless about taking the one precaution during sex that helps to prevent disease: using a condom.

The survey was a small part of The Canada Youth and Adult Study, one of the largest nationwide studies ever undertaken of the sexual habits of teenagers and young adults. Officials of the Federal Centre for AIDS and Health and Western Canada, argue that they were not concerned about the potential for an AIDS epidemic among young Canadians until the early 1980s of a total of 35,000 young Canadians ranging from those in college down to pupils in Grade 7. Results were released last December, and further detailed analysis of the college survey is scheduled for release at a medical conference in Houston this week. Meanwhile, in Ottawa, Provost Marjorie Margaret Thatcher recently vetoed an official survey of the sexual habits of 30,000 adults, saying that the student is credibility. Researchers at the department of health had argued that it would assist in the battle against AIDS.

Many health authorities say they are concerned that, despite all the public health advice, the message is not affecting a sexually active sector of the population. Said Dr. Norm MacDonald, an Ottawa specialist in infectious diseases who plans to present the college study



McLeod: 'my friends associate disease with hookers'

findings to the "Young Canadians: Most education and media campaigns to increase condom use are dismal failures."

The survey on 54 campuses found that three-quarters of students had already engaged in intercourse. About half the men claimed to have had five or more partners, with a quarter claiming the total as 10 or more. Among college women polled, 38 per cent said they had had sex with at least five partners, 12 per cent claimed to have done so with at least 16 men.

However, condoms were not widely popular. Among the sexually active, 28 per cent said that they had never used a condom. Another 16 per cent reported that they had used them only occasionally. In fact, according to MacDonald, those most at risk were least likely to use

condoms. Only 19 per cent of women with 10 or more partners said that they regularly used condoms, compared with 28 per cent of those with one or two partners.

Respondents gave many reasons for not using condoms—and the main one was dis-furnished healthiness. One-third of those polled said that they feared buying condoms embarrassing, and 30 per cent admitted to being shy about discussing them with their partners. Many respondents also expressed the belief that condoms diminish sexual pleasure.

Most students surveyed declared that they did not worry about sexually transmitted diseases. Just University of Ottawa student Christopher McLeod, for one, said that many of his peers are complacent. He added, "Most of my friends would associate disease with hookers—not with the girls you meet at the university pub."

But although statistics from the Federal Centre for AIDS show that transmission of AIDS through heterosexual intercourse is still relatively rare in Canada, other serious diseases are common for the young who indulge in sex. Overall, eight per cent of the sexually active students reported having had a sexually transmitted disease diagnosed at least once.

With sex so widespread, experts say that education has to be more specific in order to fully educate students about sexual diseases. William Fisher, a psychologist at the University of Western Ontario in London who has supervised the survey results, says that the young should be taught to negotiate their sexual relationships. "We need to go past these practical strategies for reducing risk," he said. They may discuss with prospective partners whether they will engage in various levels of sexual getting short of intercourse, or they can insist upon safer sex—with a condom—or to sex at all. Said Fisher: "Too many anti-education courses focus on dry technical details." He says that is like driving education courses that only give information about the workings of steering, combustion engines.

If students do not perceive how to behave when behind the wheel, he added, they are likely to be hurt or killed. As a result, says Fisher, reckless sex is becoming just as hazardous.

Fisher: reducing risk



JACK HANNA is Ottawa

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WARM TO THE EXPERIENCE.

Struggling for dollars

Fund-raising is becoming more of a science

The playoffs for more than 50 charities to snagger down a runway in front of about 1,000 single women. All of the organizers converge to report their past success, the money, in exchange for a \$100 admission fee, will be for

three times as charitable in Canada. As a result, many of the groups are seeking new ways to attract volunteers and dollars. Martin Connell, the chairman of Toronto's Centre for Philanthropy's promotion-raising campaign—Sagittae—says that he believes

raised by more than 40 per cent. Sent Connell, whose Council Exploration donated \$250,000 to charity last year: "Basically we have lived in a post-Second World War period, as the sense that government was the chariot that society was going to use to fix all the. We have to get used to a changing reality."

Connell says that the change is largely a result of government cuts to social services as an attempt to reduce the deficit. That, in turn, has put pressure on the charitable sector, which is expected to fill the void. According to Connell, Americans give more to charity because they have never made similar assumptions. Charitable donations are experiencing a steady increase in the United States, despite the 1986 Tax Reform Act, which eliminated some tax deductions for donations. In 1986 alone, Americans gave 2.04 per cent of their earnings to charity, compared with only 1.3 per cent from Canadians.

But there are obstacles that charities must overcome to increase both volunteer time and money. Many fund-raisers say that people who make annual donations rarely increase the amount they give. And with the number of charities growing so rapidly, fund-raisers warn, potential donors may become overwhelmed.

The same is evidently true of corporations, which contribute about seven per cent of total donations annually. Sent John Dornan, vice-president of Dover Mills Ltd., a shoe-making company in British Columbia, as bearing a path to our door. But for many companies, charity budgets are not significantly increasing. As a result, many larger corporations are turning to public-relations sponsoring of sporting or cultural events by doing that, company officials can make larger contributions—using the money from marketing rather than charity budgets—and justify them to shareholders. Sent professional fund-raiser Leonard Wolstein, vice-president of Calgary-based CMC Consulting Group Ltd.: "They look for a market benefit. It is not simple altruism on the company's part."

Overall, Connell expressed optimism about charities' future, adding that the longer campaign is playing off a trend already in evidence. Canadians, he added, are returning to family and community values, but they need to be persuaded to give. Declared Connell: "The 'Me' generation of the last two decades is becoming part of a 'We' generation." Still, until that happens in earnest, charities will have to continue trying to find innovative new ways to convince Canadians to pull out their wallets and put their good intentions in writing.

MORA UNDERWOOD with JENN PROFFER in Calgary and GLAN ALLEN in Pacific



1988 Mt. St. Helens (below) Adult Wilmer holding artistic dance under a balloon

the chance to go on an exotic date. That date could include a weekend in Mexico or a trip at a luxury hotel—and could cost the bidder well over \$1,000. The auction is scheduled to take place on Nov. 23 in Toronto's Harbour Castle Marriott hotel, and it is just one of the creative new programs that many charities are trying to use as they struggle to increase donor interest. Last year's auction for the Multiple Sclerosis Society of Canada raised about \$80,000 in one night alone. Sent Michael Mann, the national public relations supervisor for the Mt. St. Helens Society: "We are having to use new and more creative strategies. Fund-raising in Canada is becoming more of a science."

But fund-raising is also becoming an increasingly competitive field. For one thing, some institutions that once relied on government assistance have entered the charity market as government funding has dropped off. Registered charities in Canada now number more than 50,000, up from 42,000 in 1980. In addition, a survey by Demos Research Ltd. conducted in 1987 showed that Canadians believe themselves to be more generous than they actually are. In fact, Americans are nearly

Canadians simply need to be persuaded that giving is essential. Added Connell, chairman of Toronto-based Council Exploration Co. Ltd. and the Ontario Skeleto Corp.: "We do know that Canadians want to do more. The important thing is to make those good intentions up to a much higher place as people's minds."

The Demos study found that 91 per cent of those surveyed approved of the concept of supporting charities, with 64 per cent saying that they are personally generous. But the survey showed that, as the past 30 years, individual donations in a percentage of income had fallen by almost 30 per cent. For corporations during the same period, donations as a percentage of profits, profits had in-



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Wilful ignorance and the lust for page 1

BY GEORGE BAIN

The wisest living critique on media, history, the arts, the deliberations of journalists to the proposition that we exist to foster understanding of events, rather than to cobble it, show first as practice then as it is what we profess to contravene and sustain of the ruling. Consider, for example, the reported confusion a couple of weeks ago about the government's intentions toward the Goods and Services Tax (GST).

The Ottawa Citizen, on Aug. 26, stated a leading columnist wrote some page 1 "The plus could change the plus." No doubt true—almost anything can change at any time at any area of human endeavor, nothing more more stable than politics—but whether that makes news is something else again. It is especially so recognizing that when, in 1985, standing committees of the House of Commons were given latitude to gather views and express themselves on bills at an early stage, a business benefit was that "a minister would then have a wider choice of advice on proposed legislation." That implicitly accepted that change could result.

The Citizen story, by staff writer Greg Weston, began "Prime Minister Brian Mulroney says his government will consider major changes to the planned nine-per-cent federal sales tax on almost all goods and services. In an exclusive interview..." Mulroney said the recommendations of a Commons committee studying the issue could lead to such fundamental changes as a lowering of the rate.

A reading of the transcript shows that, although Weston asked if there was "manoeuvrability as the rate, or the conditions, the symptoms, that type of thing," the Prime Minister committed directly in one of those. The word "rate" never passed his lips. He said that the Commons Finance Committee, under Conservative MP Donald Blevins, had been given Finance Minister Michael Wilson's technical paper to study and, "We'll see what they say about it." The next day, Gilbert Larocque, the Prime Minister's press secretary, complained

It is a question of whether we may be in some confusion about whether we are in the business of elucidating or just titillating

in a letter to the paper that to represent as coming from the Prime Minister the suggestion that the committee's recommendations could lead "to such fundamental changes as a lowering of the rate" was wrong.

The Citizen's national editor, Graham Purley, replied that the newspaper had reviewed tapes of the interview and was "satisfied the story accurately interpreted the Prime Minister's remarks." The implication here may have been that an interpretation of words in a different light from an accurate reflection of them. Translating the Prime Minister's saying that the government "absolutely" would consider making changes in light of recommendations that might be forthcoming from the committee into the fact-out assertion that he "said the recommendations... could lead to such fundamental changes as a lowering of the rate" makes a long interpretive leap.

That was the start. For Toronto papers—the Weston story ran Saturday, the first reply on Sunday—the Canadian Press (CP) put out a story that said "There was confusion on the weekend after statements by Prime Minister Brian Mulroney and Finance Minister Michael Wilson about whether the rate could be lowered. Mulroney badly misled a story published

Saturday at The Globe and Mail concerning the federal government might lower the rate. He said there may be technical changes if there are compelling reasons."

Kindly "could" had become "might." The Toronto Globe and Mail several days later went back to the Citizen and CP were better and said that "Mr. Mulroney denied a story saying the government would reduce the rate." It reported that the Citizen had no said, as reported by CP, that the federal government might lower the rate, but only that its recommendations "could lead to such fundamental changes as..." Disputed that again there was evidence elsewhere that the Prime Minister had not said, as also reported by CP, that there might be "technical changes if there are compelling reasons." What he had said at the Conservative party convention that weekend in reply to reporter's questions about the Citizen story was that "there would have to be a very compelling reason" to alter the nine-per-cent rate, and even then it would need to be in the context of "a whole series of helpful suggestions."

Without the various translation of that comment into the report and quite different "there may be technical changes if there are compelling reasons" the confusion alleged in the CP report could not have existed—except perhaps in the reporter's mind. The Prime Minister's statement that the government would see no reason to alter the rate, and the finance minister's that "the nine-per-cent rate was 'pretty firm,'" was the same.

The question here is not whether the rate for the GST (which will be changed before the tax goes into effect on Jan. 1, 1990—it would make a good bet that there will be various changes, including perhaps that one, before the tax legislation passes)—but whether what we see here reflects only ignorance or something else. Among the something else that would need to be noticed are wilful ignorance, and an inherent lust for page 1. Here it is known that conflict and controversy play better than concord. Wilful ignorance here lies in the unwillingness of an Ottawa media corps, a large part of whose trade is in recasting perceptions, itself to perceive that comment of the House of Commons have begun to exist.

The finance committee, which is the one concerned here, has been the most notable of those so far. As a result, the time when collection their majority produced programs and—assuming a majority—could expect to enact them—announced by the rest of the Commons has begun to wobble away. The Prime Minister's promise that the committee's views will be treated as useful input—the GST act of stands could do with it—deserves to be hailed as a further step toward something resembling parliamentary democracy rather than made to appear as a concession at negotiations.

As for the alleged confusion between the Prime Minister and the minister of finance—but that brings us back to the question of whether we, the media, may be in more confusion of our own about whether we are in the business of elucidating or just titillating



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OPENING IN SELECTED THEATRES

PEOPLE

Reliving old friendships

Last week, former prime minister Pierre Trudeau went to Toronto for a party and for a date with Margaret Kidder, now a resident at the Canadian Centre for Advanced Film Studies. Trudeau, 69, escorted Kidder—whom he has dated over the years—to a cocktail party at a trendy Italian restaurant to celebrate the opening of the Toronto branch of his Montreal law firm, Heenan Blaikie. Later, Trudeau and Kidder, 60, who once described their relationship as "very special," dined alone at a French restaurant. It seemed the right time for starfish ensembles.

Kidder, Trudeau: "special" relationship



Surprise fame

Four years ago, says Margo Timmons, she was a disgruntled Reagan social work student who only sang at the shower. Just one year ago, Timmons, 38, and her country-blue group, Cowboy Junkies, released their first album, *The Trinity Session*, recorded at a church for \$250. Now, the album and the Toronto native are internationally acclaimed, and this week the group is on a live concert tour in Japan. "My life has completely changed," and Timmons "At last, I was asked by the Beatles, but I've since become more aware—now I'd still stay cozy."



Timmons: "acred by accident"

A LONG ROAD TO FREEDOM

Six years after the prison doors slammed shut on Nora Strain Bruce Curtis's dreams of becoming an astrologist, the 35-year-old is free again to work toward his goal. Curtis's imprisonment became a national issue after he received the maximum 20-year sentence for the 1982 shooting of a friend's mother in Larchmont, N.J. This week, Curtis—who insists that the shooting was accidental—in moving to a Kingston, Ont., halfway house under a parole arrangement from the Springfield, N.S., prison, to study science at nearby Queen's University. His mother, Alice Curtis, said that her son recently visited his friend Stanley N.S., home for the first time since 1982. She added, "He just walked and walked—he had been dreaming of that."

ALL THE WORLD'S A STAGE

When Irish rock star Bob Geldof is troubled by an issue, he wants the world to listen. "I get a bee in my bonnet that I want put out," said the 36-year-old organizer of Live Aid, the 1985 rock concert that raised \$140 million for the hungry in Africa. Geldof's latest obsession: protecting the environment. The singer said that he now is helping a new British TV documentary series about ecological problems to be transmitted globally in 1992. Geldof said: "The only hope power when millions hear and agree with you."

Slighted star

She gets little respect in Hollywood but American actress Elaine Brown is a much-loved star in Britain—especially by her British boyfriend, playwright/critic David Hare. According to Hare, Brown, 40, who has had five major roles in American movies since making her debut in the 1980 cult hit *Altered States*, is the most "underappreciated actress" in the United States. For his part, Hare, the author of *Plenty* and *Witkewitz*, wrote both a movie and a play for Brown. In the drama *The Secret Rapture*, opening on Broadway next month, she stars as an unloved British housewife. And in Hare's new movie, *Shogun*, which premiered last week at Toronto's Festival of Festivals, Brown plays an English doctor. Said Hare: "The American movie industry is a mystery to me."

Reviews: "underappreciated"





THEATRE

Broadway bound

Canadian shows aim for the Great White Way

Located in a drab little office building in downtown Toronto, J.D. Productions Inc. is a purveyor of offbeat drunks and wailing telephones. Musicals like featuring Jimmy Durante, the American vaudeville comedian and parent who died in 1988, lie on the walls. Despite the office's unimpressive appearance, it is the nerve center of the most ambitious musical venture ever mounted in Canada: The \$4.2-million show "Duranteo" The Musical Comedy, which premiered in Toronto last month and then opened on Sept. 8 at Vancouver's Queen Elizabeth Theatre, is about to embark on an eight-city U.S. tour. Its ultimate destination: Broadway. Producer and executive producer theater impresario Allyn Pylyns, 42, predicts that the show will run for eight years—at least. Vowed the way, title-dropping Pylyns "Canada is going to bring Broadway to its knees."

Duranteo, which has so far received standing ovations from audiences but still molting reviews from critics, is still many months away from New York City's Great White Way. But, increasingly, other investors, Canadian-backed shows are seeking success south of the border. A Toronto-produced revival of the

hit musical 1935 U.S. musical *Shenandoah* played on Broadway, with a largely Canadian cast, from Aug. 1 to Sept. 2. And Canadian money is supporting *Shenandoah* and the \$6.1-million salute to black American performers of the 1930s and 1940s—and the winner of three 1989 Tony awards, *Rain and Heat*, coproduced by Montreal-based Donald K. Donald Productions Inc., continues to be one of the biggest hits in New York. Another success story, the Irish, innovative drama *Tenements*—written by Canadian John Kinsman and produced by Toronto bookending executive Michael Sweeney—has been running for five years in Los Angeles and almost three years off-Broadway. Says Shenandoah producer Pylyns, "Canadian who spend millions of dollars producing a play have got to have their eye on the U.S. market. We're just too small a theatre community to sustain that kind of money over a Canadian run."

Producers such as Pylyns and Ignatius Pateras, who runs Toronto productions of Cats, Les Misérables and other imported megamusicals have helped to create a highly trained talent pool in Canadian theatre. But taking a show to Broadway remains a risky—and in many cases

Scene from *Duranteo*: "Canada is going to bring Broadway to its knees"

prohibitively expensive—endeavor. Ed Morrell, owner of Toronto's Royal Alexandra Theatre and The Old Vic Theatre in London, said that producing a show that meets Broadway standards is twice as expensive as mounting one aimed at a local audience. Morrell and his son, David, have staged two shows to Broadway: the opera *The Mikado*, coproduced with Canadian director/choreographer Brian Macdonald in 1987, and a 1984 production of *Swing of War*, a drama written by New York playwright Michael Wilford and starring Canadian-born actress Kate Nelligan.

The Mikado was two reviews and two Tony nominations. Public and critical response to *Swing* was cooler, although Nelligan did receive a Tony nomination. The show closed after five weeks. Said David Morrell "It was a serious drama, and people weren't to buy it." A 1988 Broadway production of *Mikado*, coproduced by Garth Drabinsky, president of the Toronto-based Complex Odeon Corp., had substantial local funding. The Shakespeare drama, which starred Christopher Plummer and Glenn Jackson, opened on Broadway with \$1.4 million in advance ticket sales. But the reviews were largely negative, and the show closed after only 94 weeks, missed the list of 12 that were scheduled.

Like Shakespeare's Scottish king, producer Pylyns appears to possess "valuing audience"—but he fully discusses the idea that Duranteo could fail on Broadway. Pylyns, who nurtured his house and local audiences' eyes to his own production, added that he expects the show to generate so much word-of-mouth support on a lengthy U.S. tour that by the time it reaches Broadway—prob-

ly in 1996—it will take no even if the reviews pan it. Said the producer "The people will be my judges, not critics."

Pylyns's own story has some parallels with that of the central characters in the musical: like Durante, the producer is an irrepressible, domineering man who is willing for the big time in the face of seemingly insurmountable odds. And both reworked lives, slightly off-kilter poets—Durante started out in the low-life projects of 1930s New York and Pylyns, a former bar-porter, coproduced *Shenandoah*, a low-key but financially successful 1985 comedy about over-the-hill vaudeville. It was nearly four years ago that Pylyns reached to produce a show based on the life of the ramped vaudeville star with the economy in mind. A friend introduced him to Mary Murphy, then a market research company executive in Toronto, and the entered the theatre world as a lifetime coproducer in the Durante project.

Initially they envisioned the show as a modest \$800,000 revue. But said Murphy "gradually, we realized how much enjoyment we could enjoy Durante and how much there was to love in his life." The producers convinced several investors to take a chance on a bigger project, and the budget soared. Featuring Durante's second wife, Margie, to deliver the lyrics for her husband's songs, including his trademark *John Deere* (she took a year and a half. After searching unsuccessfully for a Canadian actor to play Durante, Pylyns said, he heard the person he was looking for was New York actor Larry Pines. Pines turned him down at first, but later relented. "There if the show's four leads are American, the rest of the cast and most of the creative team are Canadian. What added fuel to my desire-Canadians involved is based on the life of an American, Pylyns replies,

"He's not an American—he's in heaven."

Last month, thousands of Americans went to Broadway's Virginia Theatre to watch a large by Canadian cast—25 out of 38 performers, most, Shenandoah, a musical, traditional musical set in the American Civil War. Many critics described the show, the story of a Virginia soldier who wants to keep his family out of the war, as overly sentimental. But the \$1.5 million production attracted slightly more than 10,000 pre-opening audiences, a figure that exceeded the producers' expectations. Broadway star John Collins, who won a Tony Award in 1973 for his performance of the leading role in the original production, once again portrayed the widower Charlie Anderson and he received strong reviews. (During the pre-Broadway To-

ronto run in June and July, TV star Ian Linden played the role.)

Shenandoah is the first production assembled by Ignatius. Toronto real-estate developer and motion-picture producer Howard Hurst and Hurst's wife, Sophie, Howard Hurst and Ignatius recently announced the management of the 1,300-seat Queen Elizabeth Theatre, on the grounds of Toronto's Fairbanks Plaza. There, they will offer a subscription series that will combine imported road shows with in-house productions that may later tour. Their plan is to first year include mounting an original musical—such a budget at around \$4.5 million—about 100,000 theatregoers who may have been the first women group. Said Ignatius "We feel that there will be a very big in-laws Cab or The Phantom of the Opera, Ignatius and the Hursts also plan a U.S. tour for Shenandoah and other musicals.

Meanwhile, Broadway is getting up for its most active season in years. So far, more than 16 shows are slated to open between mid-September and the end of 1989. But Shenandoah's Pylyns does not seem to be intimidated. "It's not when I get to Broadway, it's when Broadway comes to me," said Pylyns. "Duranteo is something that they need desperately here." And as the producer is convinced, the show's acrobatic triumph is as plain as the nose on the great Shakespeare's face.

PAMELA WALTON



BANANA-NOSED VIRTUOSITY

"DURANTEO": THE MUSICAL COMEDY
Directed by Ernest G. Plot

With his mischievous eyes, cartoon-character mustaches and endless ability about him to go, Jimmy Durante was a comedy-god. The producers of "Duranteo: The Musical Comedy" succeeded in recreating the off-the-cuff comedian's showbiz magic in the musical performance at Queen's Theatre. And, through British production members, they have recreated the glitz and glamour of the entertainment world of the 1930s. Unfortunately, Durante also attempted to trace the comedian's checkered life, from his days as a struggling pianist in the 1920s to landing his own U.S. hit show. The resulting mix of comic and biography is alternately cynical and comical. By the final curtain, Pines' gravelly Durante emotion, the plot line, music and scenes for the next scene.

By choosing to remain faithful to Du-

Pines' mischievous spirit, cartoon-character mustaches

with a hit, the producers have had to deal with the adaptation of his first wife, Jeanne Chase Johnson, and her subsequent death. They have used her struggle to create dramatic tension throughout the show. Between vaudeville routines featuring Durante and his vaudeville, the film's Jeanne Chase repeatedly appears to bewail her fate and have Durante sing his already beloved ballad over and over in a regret.

But writers David Pines and John Ayresworth never allow Pines to escape the Durante caricature long enough to explain his reasons. He does play gently—tongue Johnson's singing and dancing talent—Jeanne's lengthy role.

To fact, her signature song, "What Do I Care to Do?" she decides from the audience, whenever the production is appropriate.

Vocally, however, the show is captivating. Its tone is joyful and its set designer, Cameron Parnham, who manages to bring the comedy to life. New York's Central Park, the old Palace Theatre and a 1930s-style lobby, and

choreographer. Last, Ayres' song-and-dance numbers seem to distract viewers as they seem to come out of nowhere.

But the production's music most when Pines alone sings during Durante. The guitars, the drums and the voices—except for the odd outburst like into each other—or are unconvincingly done to the bubble gum. With his mischievous depiction of the banana-nosed comedian, Pines manages to bring even his back-story from the stage noticeable.

HAL GUYTON

white character, but the director had little choice. "It was the only way to tell my story," Polley said last week. Petite, with elegant features, she looks more like an actress than a director capable of controlling such strong talents in Canada and Switzerland. But the glances of her black suede boots and catenae beards in



John Cusack: the murder and torture of civilians provides an archbishop to speak out

uniform by a forthright manner. She explained that she was unable to tell a South African story from the viewpoint of black characters. "In Hollywood," she said "it's impossible to make a movie with a black person in the lead role, unless it's Eddie Murphy or Bill Cosby." Discovering Brecht's movie, she said, made her realize that she could focus on white characters while maintaining a black perspective.

Even then, Polley had bitter disagreements with executives at Warner Bros., the studio originally involved in the project. "They were more interested in a live show," she said. "They wanted a Richard Dreyfuss or a Paul Newman to play the lead." The director was so determined that the focus stay on apartheid, that, in adapting the novel, she eliminated the romance between the teacher and the journalist—as a result, Sorensen's role seems truncated. Warner Bros. dropped *A Day After Tomorrow* after Polley's producers balked at showing at the box office. MGM-UA picked it up and accepted Polley's vision.

Without Hollywood limitations, Maphahlewe was able to show the roles of government authorities in Johannesburg. Its producers raised the \$5.5-million budget from local investors who were merely interested in taking advantage of generous tax incentives for the South African film industry. The filmmakers led authorities to believe that it was just an ordinary gangster movie. In fact, the same

director is a pretty criminal who is thrown in jail with a group of outlaws and assassins. A scene of Gubbins' death has gradually acquiring a political dimension. Directed and co-written by Oliver Schmitz, a black film-maker trained in Cape Town, Maphahlewe explains the anti-apartheid struggle from the inside. And it makes its points without preaching.

Warner finally provides him to spend out a period the on-screen. John Cusack, the character with great power in a performance so controlled and low-key that his character's eventual commitment into like a bolt of lightning. Australian director John Duigan provides a moving portrait of Sorensen in *El Sendero*. But, while neither rejecting nor embracing the guerrilla warfare, the movie glorifies the Christian sacrifice with disconcerting beauty. The slow-motion close-up of Sorensen's assassination—he is shot while preparing communion—is an over-the-top attempt to connect the film.

Kramer says that the deliberately toned down the politics of the movie. And John Cusack that it even has a political viewpoint. "Remember, I was just a regular guy with a lot of guts. It's not a church movie, not a message movie, or anything but a human drama." Declared John: "Over 70,000 people have died in El Sendero—that's political about getting killed."

Politics and massacre are inseparable in Brecht's *Fight for Us*, a factually based drama about abolition by right-wing vigilantes in the Philippines. Like many characters in neo-peace and former guerrilla who openly campaign against human rights violations under the rule of President Corason Aquino. But he discovers that death squads receive tacit support from both the military and the church. And after the brutal murder of friends and family he turns back in peaceful reforms and rejects the guerrilla tactics based on his drama on events documented by Amnesty International. Financed by Fox and investors, *Fight for Us* was filmed clandestinely in the Philippines, where it is has been banned.

Directors attacking the cruelty of regimes in their own countries are clearly at risk. And their work is often banned. Interestingly, a 1992 Polish drama about torture under Stalinism, has never been screened in Poland. Instead, Richard Dreyfuss, now lives in Toronto, where his movie finally found an audience at last week's festival. Despite the best efforts of police and censors, the reality of political repression stubbornly finds its way to the screen. Meanwhile, Hollywood has yet to be convinced that commitment and conscience are compatible.

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BOOKS

Domestic dispatches

A new novel dissects family dynamics

RAMSEY NEWS
By Jane Burfoot
(Macmillan, 267 pages, \$29.95)

Novelist Jane Burfoot is one of the best at peering into Canadian lives. While some such as Margaret Atwood and Alice Munro evoke instant familiarity among readers, even the 43-year-old Burfoot is more likely to prove irritating—despite the fact that her novels *Alive*, *Dancing in the Dark* and *Dead for Three* have won her an international reputation. And the publication of her fourth book, *Family News*, should red Burfoot's comparative anonymity in Canada. As in her previous work, the author—a journalist in London, Ont.—has made her fictional best: the tortuous politics of the family. The narrator of *Family News* describes that coverage as "harsh newspaper dispatches from the field of domestic warfare"—an apt illustration of the very unsentimental quality of the book itself.

Opening each chapter with a newspaper clip of a bizarre domestic event, Burfoot focuses on the relationships among Susan, a 43-year-old freelance writer; Teddy, her former lover, a well-known artist and political activist; and Lanie, their bright, 13-year-old daughter. Although she lives with Susan, Lanie is close to both parents. Beyond that, there is a mystery: while Teddy's parents were killed in a car accident before Lanie was born, Lanie knows nothing of Susan's sex unless informed by family.

When Susan is called home to attend the small-town funeral of her father, the novel branches into two directions. The first follows Susan as she confronts the mother and sister who rejected her 14 years earlier, when she announced that she was having a much-wanted child out of wedlock with Teddy. For Lanie, who accompanies her mother, the experience is also as initial. She not only enters an unknown past, but finally meets the people who, Burfoot writes, "didn't want to know her." Moving effortlessly between Susan's and Lanie's points of view, Burfoot depicts an unending psychological detail: the anger, pain, misunderstanding—and partial

revelation—that accompany the unspoken trauma.

Meanwhile, the second branch of the story traces Teddy's arrest on a trumped-up assault charge during a peace demonstration. He is given a seven-day jail term that both terrifies and awakens him. "This is not a building of justice," the author writes. "It's a building of mistakes, and it stinks of fear." Ironically, it proves to be as much a release for the



Burfoot tracing tortuous domestic politics

romantic, unaware Teddy of the death of her real father in the 1960s. Teddy discovers a sense of commitment to a woman he has recently fallen in love with. And his surprising decision to marry her prompts a new odyssey of family for all three characters, particularly Lanie.

Burfoot's prose may lack the famously polished elegance of Alice Munro's or the eloquence, Andean humor of Margaret Atwood's. But her reports from what she calls "the front lines of domestic" are filled with at least modest intelligence and feeling. They should really guarantee Burfoot the writer's readers that she deserves.

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FILMS

Verbal striptease

A young film-maker seduces with words and wit

sex, lies and seduction
Directed by Simon Sodenberg

The camera is a seductive voyeur. It infiltrates the most guarded privacy. It spies on lovers sitting by darkened corners of anonymous town-

ers, lies and seduction is a movie about sexual honesty, emotional deceit—and video voyeur-

a highly sexual hobby. Graham makes videotapes of women talking about their sex lives. There is an openness about Graham that attracts women—including Cynthia and Anne—persuading them to reveal things that they have never admitted, even to themselves. Sometimes his subjects do more than talk—they masturbate. But Graham never does more than record their confessions. He claims that he

enjoys close-ups of women talking about sex as the slow and easy seduction of the American South. At the same time, the director explores the politics of sexuality with rare honesty and intelligence. Focusing her first sexual experience, Cynthia tells Graham, "The orgasm itself seemed like a separate entity. When he finally pulled it out, and I looked at it, I completely forgot there was a guy attached to it."

Although the director is male, the women in the movie are more sympathetic—and more interesting—than the men. As Ann Macleod creates a subtle portrait of a woman too easily seduced by herself, and as Cynthia, a woman who takes pleasure in embarrassing herself, she becomes, again, the camera with sexual confidence. Most of all, the male characters offer a stark reversal of social stereotypes. Despite the pervasive nature of Graham's sexual habits, he generates sympathy by being so thoroughly disarming in his honesty. Keeping the viewer continually off-balance, Sodenberg is brilliant in the role. As the subversive cat, Gallagher provides the one slightly heeled note in the dreams.

What is most encouraging about sex, film and videotape is that it seems so effortless. The last evening of Sodenberg's first feature offers a final burst of the formula common of Hollywood. At times, the director's minimalist style seems glib, its script too clever. But sex, lies and videotape reads as a shining example to independent film makers: It demonstrates that it is possible to succeed with the honesty of candid photography, a sharp director, a handful of skilled actors and a crisp script about a subject that is endlessly intriguing.

BRIAN D. JOHNSON



See *Giuseppe* (left) and *Gallagher*: sexual seduction

MAGNAN'S BEST-SEALER LIST

FICION

- 1 *Clear and Present Danger*, Clancy (M)
- 2 *The Russian House*, Le Carré (D)
- 3 *Prepper for Queen Mary*, Irving (H)
- 4 *Peter Lee, One Smith* (S)
- 5 *The Hapshirts*, Farley (M)
- 6 *Memories*, Pless (T)
- 7 *The Pillars of the Earth*, Hilary (H)
- 8 *Star*, Ziel (S)
- 9 *A Time to Die*, Smith (H)
- 10 *The Jay Lark Club*, Fox

NONFICTION

- 1 *A Woman Named Jackie*, Symons (M)
- 2 *The House Is Not a Home*, Myers (D)
- 3 *A Brief History of Time*, Hawking (S)
- 4 *Golden Years*, Shriver (H)
- 5 *The Andy Warhol Diaries*, edited by Pat Marshall (H)
- 6 *Love and Marriage*, Cady (S)
- 7 *Wendworth*, MacNeil (S)
- 8 *Power, Love and Hunger*, Engel (M)
- 9 *Requiem*, Miller and Miller (H)
- 10 *Going Wild*, MacLean (T)

(1) Fiction list ends

Compiled by Stanley McElroy

is unable to get an erection is the precursor of another person. Instead, he provides himself in private by watching videotapes from his library of videotape. He assumes his subjects that no one, aside from himself, will ever see the tapes.

Turning on the intrepid of seduction, the script is full of macho-manic events. Questioning sex another's most intimate modern, the characters long attempt the unexpected. Sodenberg's drama is more of a verbal than a visual striptease. There is little seduction, and the feeling scenes of foreplay are not full as exciting as the intense conversations, which feature

Trouble erupts with the arrival of Graham (Geri-Preyer), an old friend of John's who has

sex, lies and seduction is a movie about sexual honesty, emotional deceit—and video voyeur-

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CBC Television



Tales from the land of Dan McGrew

BY ALLAN FOTHERINGHAM

There is something about gold. Robert Service told us, that drives madmen. I don't think it's the gold, actually. I think it's the North. The Yukon, the Klondike. Once under its spell, normal humans grew a little goofy. Not just in 1897, but even today. The mountains are painted with yellow trees in that extended canyon, but the strange things go on in Whitehorse and Dawson City and everyone takes no prisoners.

In Whitehorse, His Worship the Mayor is Dr. Dan Bravagan. The medical profession and the officers of the law look kindly on the Worship, but he has justice for everyone: a whole host of charges dealing with his killings, and his constituents love him still.

In Dawson City, the town that spawned the one-man industry known as Pierre Jackson, His Worship the Mayor is one Pierre Jackson, surely the only man who learned to fly while upland. His Worship is known locally by the locals as "Pete, Peter, the Mister Character," still having some reverence to the circumstances that brought the law after him in his commitment of the usual means of providing power for his motel. A 45-year-old refugee from Montreal, Jackson says it was "biking in a pidge" that led to his incarceration in the Whitehorse slammer.

Not being regarded as a dangerous character, he was given plenty of breathing room. He lived his life out by taking things into his own hands as different as the Yukon. Did this discourage his fans? Of course not. He was elected mayor and selected as the town's Man of the Year. Trouble with the law, whether in the gold rush or in modern times, is a relative thing.

His Worship boasts that he works for \$1 a year, but in full formal regalia wears around his neck the mayor's sash that bears a dozen or so pure gold nuggets that are worth \$122,000 or \$33,000—around there? He is worthy of the "Pardner's Hat." Pardner of Circus Circus, but, before, Purple People Sports, Safford's Minis, Livery Service. The hat is called the Statue Box Lounge. There are four people on his



city covered a number he likes. He is a strong Conservative in what is now a star territory.

There is in Dawson, Capt. Dick Stevenson, who is still attempting to achieve world fame because of his insistence that no visitor to the town can escape without sampling his "sour tea cocktail." This is a drink concocted in a glass wherein a spiced tea rests in the bottom. Stevenson says he had his wife found the original recipe, but he is now working on the third incarnation, an oncologist another having accidentally swallowed the first one. He declines to reveal where he got the tea.

Town fathers, for most growing sportsmen, put their belly toed feet down, however, when the captain, having never made it past the Johnny Carson show, struggled to dispense a new drink containing beer tastings. His new attempt for immortality in the offer to us alone that did not cut a glass covered in its

floor he will donate his skin and have his stuffed corpse exhibited on his desk. His lawyer says the law forbids a man to be stuffed, but not his skin.

It is cold and lonely up here in the winter, and snowed—His Worship is the suspect—thought of subcontracting to Home Box Office of New York for an service through satellite dish. One membership was bought, under the name of George Dawson, for \$18.95 a month, the whole town was hooked up and happy residents enjoyed every channel under the sun until visiting reporters, coming upon soft porn movies, blew the whistle.

There is Ruby's Place, a celebrated house of ill repute that has been restored—to its glory—under the auspices of Parks Canada, which is turning the whole post into a picture postcard town for the tourists. Ruby and those who followed her operated the house of pleasure right into the 1960s, the era when Ottawa decided to put up money back into the town. The story is that a group of federal bureaucrats and their wives arrived one night, the men arrived back at the hotel rather late into one night and, shortly after, Ruby's Place was closed. The Parks Canada plaque on the front identifies Ruby as a "dance hall girl!" So Ottawa.

At the Palace Grand Theatre, built in 1899 with tiers of boxes rising three levels, the grand patron who took over the place in the 1930s covered over the useful balcony seats. When the theatre was finally restored to its present glory, they passed the dirt covering the lobby to find the location of the bar and found a straight line of gold, revealing where the drinkers had drunk.

The hard of the Klondike gold rush, the man who made it famous around the world, wasn't there to see it happen. Robert Service, raised in Scotland, was a bank clerk in the Yukon in 1896 when he borrowed the name of a depositor to create *The Cremation of Sam McGrew*. It's not true that he had to drive at the hotel while his bullets went unnoted, the book manager fired him when he found out that the local clerk was asking more money than he was.

The author of *The Shooting of Dan McGrew* ended up a rich man on the Klamath and refused to return to the Yukon "because it was too cold," a sensible point if not a romantic one. Today "his cabin" is a local shrine, but it contains some eight bags from his original store, the others having been spoiled about among other characters in his book.

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